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Individual Income Tax Returns 2006

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This report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, modified income tax, tax credits, self-employment tax, and tax payments. Classifications are by tax status, size of adjusted gross income, marital status, and type of tax computation.

Additional unpublished information from individual income tax returns is available on a reimbursable basis. The Statistics of Income Division also makes the results of its studies available on the Internet. You can sample our products by visiting our Internet site at http://www.irs.gov/taxstats. Most of the tables included in this publication are available on the Internet site in Microsoft Excel format.

The Statistics of Income Division's Statistical Information Services (SIS) staff provides data, statistical analysis, and information in response to requests from customers. In addition, the SIS staff provides data referral services, acts as liaison between requesters and IRS analysts on technical questions, and arranges for sales and transmittals of publications and published tables. The SIS staff can be reached by telephone on (202) 874-0410, or by fax on (202) 874-0922.

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Section 1

Introduction and Changes in Law

Introduction

This report contains complete individual income tax data for Tax Year 2006. The statistics are based on a stratified probability sample of individual income tax returns, selected before audit, which represents a population of over 138 million Forms 1040, 1040A, and 1040EZ, including electronic returns, filed for Tax Year 2006.

Table A on the following pages presents selected income and tax items for Tax Years 2002 through 2006 as they appear on the forms and provides the percentage change for each item between 2005 and 2006. When comparing income and tax items from different years, it is important to consider any changes in the tax law, which may have affected the data. These tax law changes are explained below. To assist year-to-year comparisons, Table A includes the items in both current dollars and constant 1990 dollars, as adjusted by the U.S. Department of Labor's consumer price index (CPI-U).

For Tax Year 2006, the number of individual tax returns filed increased by just over 4.0 million, or 3.0 percent. Adjusted gross income (AGI) rose $608.3 billion, or 8.2 percent from 2005 to 2006, compared to the 9.3 percent increase recorded from 2004 to 2005. Total tax liability increased 9.3 percent to $1.1 trillion. Several components of AGI showed large increases between 2005 and 2006. The most notable of these were net capital gains less loss, which increased 16.3 percent, and taxable interest, which increased 37.1 percent.

This report is divided into six sections. Section 1 explains the requirements for filing, changes in the law for 2006, and the 1979 Income Concept. Section 2 describes the sample of individual income tax returns upon which the statistics are based. Section 3 contains tables of detailed aggregate statistics on individual tax returns. Within this section, tables classified by the age of the taxpayer has been introduced for the first time. These tables (1.5, 2.6, and 3.7) are the initial

Justin Bryan and Michael Parisi were responsible for the text and production of this report. This report was prepared under the direction of Jeff Hartzok, Chief, Individual Returns Analysis Section, Individual Statistics Branch.

Table A--Selected Income and Tax Items for Selected Years, 2002-2006, in Current and Constant 1990 Dollars [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Current dollars					Percent change, 2005 to 2006
	2002	2003	2004	2005	2006	
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	**130,076,443**	**130,423,626**	**132,226,042**	**134,372,678**	**138,394,754**	**3.0**
Electronically filed returns *	52,798,823	61,154,815	68,380,152	73,471,852	80,095,643	9.0
Form 1040 returns	80,748,948	80,420,043	80,603,689	81,497,559	83,805,545	2.8
Electronically filed returns	24,843,419	30,472,170	34,900,171	39,465,536	43,470,129	10.1
Form 1040A returns	28,714,328	29,631,494	30,572,631	31,326,141	32,018,556	2.2
Electronically filed returns	16,839,599	18,910,697	20,771,324	22,224,396	23,888,067	7.5
Form 1040EZ returns **	20,613,167	20,372,089	21,049,722	21,548,977	22,570,653	4.7
Electronically filed returns *	11,115,806	11,771,948	12,708,657	11,781,921	12,737,447	8.1
Salaries and wages						
Number of returns	110,938,441	110,890,993	112,369,812	114,070,880	116,379,376	2.0
Amount	4,559,690,903	4,649,900,493	4,921,806,344	5,155,407,373	5,469,370,119	6.1
Taxable interest received						
Number of returns	63,584,806	59,459,344	57,605,888	59,249,357	62,401,235	5.3
Amount	149,024,899	127,159,692	125,474,158	162,432,720	222,707,445	37.1
Tax-exempt interest						
Number of returns	4,453,829	4,524,955	4,416,851	4,497,973	6,038,822	34.3
Amount	54,564,456	53,750,230	52,031,763	57,693,924	72,970,971	26.5
Ordinary dividends in AGI						
Number of returns	31,409,759	30,475,097	30,687,178	31,175,376	31,619,775	1.4
Amount	103,241,332	115,141,232	146,838,808	166,482,004	199,359,146	19.7
Qualified dividends in AGI						
Number of returns	N/A	22,449,379	24,549,867	25,853,686	26,584,184	2.8
Amount	N/A	80,994,736	110,500,411	118,980,474	137,195,800	15.3
State income tax refund						
Number of returns	23,838,529	24,655,907	23,621,296	22,110,769	22,964,214	3.9
Amount	23,875,813	23,425,623	22,735,928	22,204,760	24,206,006	9.0
Alimony received						
Number of returns	425,963	431,368	439,608	457,488	441,514	-3.5
Amount	6,523,019	6,470,712	7,262,338	7,979,270	8,120,381	1.8
Business or profession net income, less loss						
Number of returns	18,597,305	19,415,648	20,252,079	21,057,329	21,656,409	2.8
Amount	220,783,572	229,655,285	247,217,287	269,701,056	281,527,260	4.4
Net capital gain in AGI less loss						
Number of returns	23,249,625	21,889,687	22,388,659	22,040,458	22,069,069	0.1
Amount	238,368,458	294,021,717	471,735,648	663,057,140	771,045,623	16.3
Capital gain distributions reported on Form 1040						
Number of returns	939,523	1,095,371	2,878,263	4,155,219	4,599,135	10.7
Amount	420,312	332,293	1,925,990	4,958,078	8,416,731	69.8
Sales of property other than capital assets, net gain less loss						
Number of returns	1,728,377	1,753,860	1,749,934	1,777,203	1,778,803	0.1
Amount	-2,386,530	-330,359	2,502,516	3,662,932	4,201,647	14.7
Total IRA distributions						
Number of returns	8,889,787	9,240,253	9,516,936	10,024,085	10,635,115	6.1
Amount	120,418,135	120,948,781	131,491,539	146,906,503	165,503,242	12.7
Taxable IRA distributions in AGI						
Number of returns	8,291,357	8,611,702	8,913,846	9,387,189	9,965,065	6.2
Amount	88,219,481	88,335,605	101,672,181	112,277,199	124,705,552	11.1
Total pensions and annuities						
Number of returns	24,857,470	24,767,067	25,130,018	25,352,088	26,511,367	4.6
Amount	561,031,602	565,420,626	627,664,241	685,308,391	780,831,489	13.9
Taxable pensions and annuities in AGI						
Number of returns	22,794,417	22,822,842	23,123,390	23,247,374	24,098,220	3.7
Amount	357,840,960	372,931,442	394,285,849	420,144,855	450,454,465	7.2
Rents, royalties, partnerships, estates, trusts, etc.						
Number of returns	14,683,765	14,824,475	15,191,999	15,510,991	15,624,588	0.7
Amount	278,192,647	295,698,600	357,378,135	447,047,895	466,087,829	4.3
Farm net income less loss						
Number of returns	1,995,073	1,997,116	2,004,898	1,981,249	1,958,273	-1.2
Amount	-14,419,719	-12,371,492	-13,239,205	-12,168,786	-15,331,319	-26.0
Unemployment compensation in AGI						
Number of returns	10,334,639	10,065,230	9,094,911	7,887,700	7,378,438	-6.5
Amount	43,129,155	44,007,879	32,740,272	27,857,367	26,523,665	-4.8
Social security benefits (received)						
Number of returns	13,869,265	14,120,202	14,759,589	15,510,458	20,609,364	32.9
Amount	205,658,281	214,011,279	231,873,220	252,239,705	339,754,476	34.7
Taxable social security benefits in AGI						
Number of returns	10,702,502	10,975,002	11,691,859	12,660,754	13,749,185	8.6
Amount	93,459,494	97,768,201	110,462,387	124,829,069	144,403,839	15.7

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2002-2006, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Current dollars					Percent change, 2005 to 2006
	2002	2003	2004	2005	2006	
	(1)	(2)	(3)	(4)	(5)	(6)
Foreign earned income exclusion [2]						
Number of returns	316,931	306,393	295,313	303,940	329,264	8.3
Amount	14,936,779	15,076,406	15,446,376	16,275,890	18,154,653	11.5
Net operating loss [2]						
Number of returns	670,081	712,076	829,838	862,791	916,899	6.3
Amount	58,126,147	62,824,777	75,011,556	79,451,741	80,795,920	1.7
Other income, net gain less loss [2]						
Number of returns	5,467,631	5,703,893	5,891,550	6,811,025	6,176,952	-9.3
Amount	19,100,950	21,289,227	23,197,673	26,863,382	29,938,461	11.4
Total income						
Number of returns	129,837,130	130,171,008	131,924,074	134,114,986	137,228,802	2.3
Amount	6,110,746,964	6,294,684,470	6,886,851,809	7,531,892,210	8,144,688,302	8.1
Archer MSA deduction						
Number of returns	61,118	67,347	32,334	18,808	18,668	-0.7
Amount	121,282	129,214	66,602	41,341	35,106	-15.1
Educator expenses						
Number of returns	2,884,403	3,240,673	3,402,468	3,503,719	3,166,931	-9.6
Amount	712,505	805,734	858,457	877,796	805,568	-8.2
Certain business expenses of reservists, performing artists, and fee-basis governement officials						
Number of returns	N/A	N/A	105,135	100,111	120,468	20.3
Amount	N/A	N/A	252,597	285,073	368,258	29.2
Health savings account deduction						
Number of returns	N/A	N/A	90,857	215,781	358,968	66.4
Amount	N/A	N/A	190,732	510,690	868,560	70.1
Moving expenses						
Number of returns	947,470	1,023,888	1,096,436	1,134,137	1,082,576	-4.5
Amount	2,215,391	2,439,835	2,952,043	3,076,563	3,159,251	2.7
One-half of self-employment tax						
Number of returns	14,664,473	15,373,279	15,920,203	16,694,655	17,074,708	2.3
Amount	18,687,162	19,791,285	21,109,366	22,733,881	23,925,376	5.2
Self-employed health insurance						
Number of returns	3,571,152	3,802,277	3,883,687	3,901,082	3,804,190	-2.5
Amount	10,494,247	16,454,211	18,457,063	19,645,889	20,302,533	3.3
Keogh retirement plan						
Number of returns	1,186,947	1,208,801	1,201,332	1,256,900	1,228,299	-2.3
Amount	16,349,738	17,795,957	19,295,952	21,268,404	22,011,551	3.5
Penalty on early withdrawal of savings						
Number of returns	804,926	736,121	780,327	805,625	1,164,171	44.5
Amount	192,750	150,214	209,833	265,870	429,850	61.7
Alimony paid adjustment						
Number of returns	587,219	587,368	574,001	588,463	585,286	-0.5
Amount	7,183,522	7,520,335	8,470,128	8,954,038	9,115,764	1.8
Total taxpayer IRA adjustment						
Number of returns	3,277,671	3,418,494	3,330,763	3,256,066	3,230,531	-0.8
Amount	9,462,404	10,006,814	10,028,607	12,003,037	12,533,506	4.4
Student loan interest deduction						
Number of returns	6,640,784	6,953,370	7,527,249	8,072,896	8,540,900	5.8
Amount	4,659,546	4,409,816	4,398,734	5,052,720	6,156,865	21.9
Jury duty pay						
Number of returns	N/A	N/A	N/A	N/A	57,259	[7]
Amount	N/A	N/A	N/A	N/A	51,814	[7]
Tuition and fees deduction						
Number of returns	3,444,941	3,571,154	4,710,253	4,696,013	4,015,828	-14.5
Amount	6,154,145	6,683,631	10,589,279	10,846,990	9,620,615	-11.3
Domestic production activities deduction						
Number of returns	N/A	N/A	N/A	336,959	421,128	25.0
Amount	N/A	N/A	N/A	2,360,983	3,303,121	39.9
Foreign housing deductions						
Number of returns	2,074	1,491	3,352	2,417	3,942	63.1
Amount	54,614	51,765	59,899	70,962	83,632	17.9
Other adjustments						
Number of returns	208,348	272,647	188,210	257,014	137,296	-46.6
Amount	1,064,125	1,314,285	1,107,387	1,402,311	1,073,988	-23.4
Total statutory adjustments						
Number of returns	28,911,078	30,382,069	32,153,965	33,591,124	33,980,524	1.2
Amount	77,161,432	87,575,677	98,046,679	109,396,547	113,845,357	4.1
Adjusted gross income or loss (AGI)						
Amount	6,033,585,532	6,207,108,793	6,788,805,130	7,422,495,663	8,030,842,945	8.2
Total itemized deductions						
Number of returns	45,647,551	43,949,591	46,335,237	47,755,427	49,123,555	2.9
Amount	898,047,320	901,864,834	998,238,457	1,121,810,935	1,229,237,288	9.6

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2002-2006, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Current dollars					Percent change, 2005 to 2006
	2002	2003	2004	2005	2006	
	(1)	(2)	(3)	(4)	(5)	(6)
Total standard deduction						
Number of returns	82,655,191	84,643,281	84,016,753	84,841,222	86,583,732	2.1
Amount	492,067,532	555,780,052	560,932,618	580,747,711	607,464,186	4.6
Basic standard deduction						
Number of returns	82,655,191	84,643,281	84,016,753	84,841,222	86,583,732	2.1
Amount	477,170,045	539,921,089	545,082,218	564,186,053	590,487,763	4.7
Additional standard deduction						
Number of returns	10,857,098	11,200,647	10,985,079	10,996,440	11,261,327	2.4
Amount	14,897,487	15,858,963	15,850,401	16,561,658	16,976,422	2.5
AGI less deductions						
Number of returns	114,976,167	114,402,877	116,042,570	118,115,885	120,676,830	2.2
Amount	4,760,885,833	4,873,784,147	5,360,753,836	5,859,016,944	6,340,706,374	8.2
Number of exemptions	258,716,374	261,126,373	263,896,304	269,043,070	275,256,944	2.3
Exemption amount	761,440,430	781,305,067	800,690,043	839,904,186	891,911,609	6.2
Taxable income						
Number of returns	102,275,969	101,392,812	102,737,959	104,330,653	106,667,402	2.2
Amount	4,096,127,651	4,200,218,439	4,670,165,637	5,137,165,874	5,579,145,443	8.6
Tax from table, rate schedules, etc.						
Number of returns	102,266,930	101,386,201	102,721,593	104,321,332	106,658,774	2.2
Amount	829,839,121	780,315,781	871,227,853	972,706,955	1,061,247,534	9.1
Additional taxes						
Number of returns	13,291	21,370	9,884	10,595	12,787	20.7
Amount	153,564	222,088	85,611	23,740	43,250	82.2
Alternative minimum tax						
Number of returns	1,910,789	2,357,975	3,096,299	4,004,756	3,966,540	-1.0
Amount	6,853,901	9,469,803	13,029,239	17,421,071	21,564,586	23.8
Income tax before credits						
Number of returns	102,293,722	101,412,777	102,740,921	104,345,964	106,688,255	2.2
Amount	836,842,718	790,005,881	884,342,703	990,151,766	1,082,855,370	9.4
Foreign tax credit						
Number of returns	3,748,974	4,145,174	4,700,259	5,398,046	6,418,317	18.9
Amount	5,933,600	5,805,555	6,757,994	9,361,989	10,958,470	17.1
Child care credit						
Number of returns	6,185,855	6,313,297	6,316,649	6,500,596	6,466,792	-0.5
Amount	2,706,539	3,206,890	3,337,984	3,462,104	3,486,637	0.7
Credit for elderly or disabled						
Number of returns	133,538	123,147	107,914	101,627	98,261	-3.3
Amount	21,119	20,257	18,740	14,127	14,571	3.1
Education credits						
Number of returns	6,544,536	7,298,227	7,180,884	7,057,251	7,725,138	9.5
Amount	5,012,744	5,843,029	6,016,805	6,119,631	7,022,420	14.8
Retirement savings contributions credit						
Number of returns	5,307,176	5,296,688	5,288,732	5,293,605	5,192,133	-1.9
Amount	1,058,219	1,034,394	1,011,506	944,531	893,957	-5.4
Residential energy credit						
Number of returns	N/A	N/A	N/A	N/A	4,344,189	[7]
Amount	N/A	N/A	N/A	N/A	1,000,149	[7]
Child tax credit						
Number of returns	25,939,801	25,672,254	25,988,711	25,950,568	25,741,511	-0.8
Amount	21,520,271	22,788,025	32,300,455	32,047,620	31,741,551	-1.0
Adoption credit						
Number of returns	55,905	63,980	71,136	84,793	93,369	10.1
Amount	234,109	348,793	301,890	319,558	351,184	9.9
General business credit						
Number of returns	284,720	262,738	248,506	251,386	386,681	53.8
Amount	750,855	612,744	635,391	877,850	1,302,464	48.4
Prior year minimum tax credit						
Number of returns	193,776	250,605	274,596	290,376	359,098	23.7
Amount	976,398	916,538	902,000	1,081,252	1,032,247	-4.5
Total credits [1][3]						
Number of returns	38,846,217	39,247,449	39,841,978	40,526,374	44,397,533	9.6
Amount	38,747,463	41,069,375	51,599,346	54,571,100	58,141,809	6.5
Income tax less credits [1]						
Number of returns	93,565,243	91,109,363	90,876,672	92,343,186	94,509,890	2.3
Amount	798,095,255	748,936,506	832,743,358	935,580,666	1,024,713,561	9.5
Self-employment tax						
Number of returns	14,664,473	15,373,279	15,920,203	16,694,655	17,074,708	2.3
Amount	37,367,003	39,574,991	42,210,737	45,459,427	47,842,244	5.2
Recapture taxes						
Number of returns	14,684	15,797	41,161	15,206	12,536	-17.6
Amount	117,943	87,939	173,122	299,191	320,788	7.2

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2002-2006, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Current dollars					Percent change, 2005 to 2006
	2002	2003	2004	2005	2006	
	(1)	(2)	(3)	(4)	(5)	(6)
Social security, Medicare tax on tip income not reported						
Number of returns	238,185	557,717	517,609	335,818	355,457	5.8
Amount	31,446	148,746	107,929	79,220	73,109	-7.7
Tax on qualified retirement plans						
Number of returns	4,896,938	4,877,670	4,924,584	4,822,297	5,148,030	6.8
Amount	3,498,067	3,407,940	3,640,374	3,820,152	4,347,720	13.8
Advanced earned income credit payments						
Number of returns	156,376	142,694	142,639	122,078	129,124	5.8
Amount	73,904	66,986	62,360	58,167	62,149	6.8
Household employment taxes						
Number of returns	229,722	240,601	243,702	228,381	225,441	-1.3
Amount	703,931	810,442	885,832	936,858	917,524	-2.1
Total tax liability [1,4]						
Number of returns	99,559,612	97,875,142	98,115,557	99,880,223	102,363,945	2.5
Amount	839,977,103	793,111,460	879,962,609	986,460,793	1,078,601,440	9.3
Income tax withheld						
Number of returns	114,861,744	114,861,706	116,312,978	118,161,380	120,500,889	2.0
Amount	717,492,263	703,758,484	731,734,362	782,659,594	843,094,979	7.7
Estimated tax payments						
Number of returns	12,434,579	11,576,213	10,996,504	11,053,213	11,128,072	0.7
Amount	198,177,595	182,906,911	188,770,357	221,001,524	252,998,613	14.5
Earned income credit [1]						
Number of returns	21,703,187	22,024,227	22,270,550	22,751,904	23,042,200	1.3
Amount	38,198,572	38,657,067	40,024,074	42,410,290	44,387,566	4.7
Nontaxable combat pay election						
Number of returns	N/A	N/A	10,024	21,973	8,323	-62.1
Amount	N/A	N/A	9,283	328,268	90,997	-72.3
Additional child tax credit						
Number of returns	10,937,417	12,570,455	14,528,434	15,219,712	15,590,592	2.4
Amount	6,415,753	9,112,716	14,450,019	15,495,160	16,248,889	4.9
Payment with an extension request						
Number of returns	1,235,156	1,333,579	1,518,779	1,627,572	1,758,125	8.0
Amount	36,321,934	38,303,188	59,268,206	77,833,848	86,530,919	11.2
Excess social security tax withheld						
Number of returns	1,145,352	1,121,141	1,242,604	1,383,240	1,443,437	4.4
Amount	1,564,478	1,566,411	1,727,641	2,023,314	2,288,807	13.1
Other payments:						
Form 2439						
Number of returns	19,422	12,717	9,608	19,812	84,547	326.7
Amount	37,701	123,633	33,754	52,976	52,199	-1.5
Form 4136						
Number of returns	365,868	349,860	345,020	340,769	318,754	-6.5
Amount	101,459	82,154	86,378	101,712	85,905	-15.5
Form 8885 [5]						
Number of returns	5,322	17,834	16,314	13,380	22,397	67.4
Amount	1,967	32,514	23,595	27,078	27,567	1.8
Federal telephone excise tax credit						
Number of returns	N/A	N/A	N/A	N/A	96,873,353	[7]
Amount	N/A	N/A	N/A	N/A	4,164,063	[7]
Total payments [1]						
Number of returns	123,462,930	123,461,513	124,989,700	126,781,067	134,948,299	6.4
Amount	998,311,722	974,543,079	1,036,118,363	1,141,605,497	1,249,879,508	9.5
Overpayment, total						
Number of returns	103,462,884	105,361,848	103,706,648	104,778,359	109,915,823	4.9
Amount	239,784,002	254,553,541	255,064,839	272,110,056	295,796,995	8.7
Overpayment refunded						
Number of returns	100,143,606	102,004,984	100,674,244	101,870,385	107,001,071	5.0
Amount	205,987,348	219,751,889	221,371,474	232,975,616	250,941,390	7.7
Refund credited to next year						
Number of returns	5,418,534	5,199,186	4,314,593	4,055,960	3,978,421	-1.9
Amount	33,796,653	34,801,652	33,693,366	39,134,446	44,855,606	14.6
Tax due at time of filing						
Number of returns	22,818,761	21,072,333	24,452,350	25,659,937	26,694,105	4.0
Amount	82,287,723	73,741,408	99,683,779	118,232,296	126,289,889	6.8
Tax penalty						
Number of returns	5,149,988	4,829,886	5,641,853	5,882,477	6,496,924	10.4
Amount	838,341	619,485	774,697	1,266,944	1,770,962	39.8

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2002-2006, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Constant 1990 dollars [6]					Percent change, 2005 to 2006
	2002	2003	2004	2005	2006	
	(7)	(8)	(9)	(10)	(11)	(12)
All returns	**130,076,443**	**130,423,626**	**132,226,042**	**134,372,678**	**138,394,754**	**3.0**
Electronically filed returns *	52,798,823	61,154,815	68,380,152	73,471,852	80,095,643	9.0
Form 1040 returns	80,748,948	80,420,043	80,603,689	81,497,559	83,805,545	2.8
Electronically filed returns	24,843,419	30,472,170	34,900,171	39,465,536	43,470,129	10.1
Form 1040A returns	28,714,328	29,631,494	30,572,631	31,326,141	32,018,556	2.2
Electronically filed returns	16,839,599	18,910,697	20,771,324	22,224,396	23,888,067	7.5
Form 1040EZ returns **	20,613,167	20,372,089	21,049,722	21,548,977	22,570,653	4.7
Electronically filed returns *	11,115,806	11,771,948	12,708,657	11,781,921	12,737,447	8.1
Salaries and wages						
Number of returns	110,938,441	110,890,993	112,369,812	114,070,880	116,379,376	2.0
Amount	3,313,728,854	3,302,486,146	3,406,094,356	3,450,741,214	3,546,932,632	2.8
Taxable interest received						
Number of returns	63,584,806	59,459,344	57,605,888	59,249,357	62,401,235	5.3
Amount	108,302,979	90,312,281	86,833,327	108,723,373	144,427,656	32.8
Tax-exempt interest						
Number of returns	4,453,829	4,524,955	4,416,851	4,497,973	6,038,822	34.3
Amount	39,654,401	38,174,879	36,008,140	38,617,084	47,322,290	22.5
Ordinary dividends in AGI						
Number of returns	31,409,759	30,475,097	30,687,178	31,175,376	31,619,775	1.4
Amount	75,030,038	81,776,443	101,618,552	111,433,738	129,286,087	16.0
Qualified dividends in AGI						
Number of returns	N/A	22,449,379	24,549,867	25,853,686	26,584,184	2.8
Amount	N/A	57,524,670	76,470,873	79,638,871	88,972,633	11.7
State income tax refund						
Number of returns	23,838,529	24,655,907	23,621,296	22,110,769	22,964,214	3.9
Amount	17,351,608	16,637,516	15,734,206	14,862,624	15,697,799	5.6
Alimony received						
Number of returns	425,963	431,368	439,608	457,488	441,514	-3.5
Amount	4,740,566	4,595,676	5,025,839	5,340,877	5,266,136	-1.4
Business or profession net income, less loss						
Number of returns	18,597,305	19,415,648	20,252,079	21,057,329	21,656,409	2.8
Amount	160,453,177	163,107,447	171,084,628	180,522,795	182,572,802	1.1
Net capital gain in AGI less loss						
Number of returns	23,249,625	21,889,687	22,388,659	22,040,458	22,069,069	0.1
Amount	173,232,891	208,822,242	326,460,656	443,813,347	500,029,587	12.7
Capital gain distributions reported on Form 1040						
Number of returns	939,523	1,095,371	2,878,263	4,155,219	4,599,135	10.7
Amount	305,459	236,004	1,332,865	3,318,660	5,458,321	64.5
Sales of property other than capital assets, net gain less loss						
Number of returns	1,728,377	1,753,860	1,749,934	1,777,203	1,778,803	0.1
Amount	-1,734,397	-234,630	1,731,845	2,451,762	2,724,804	11.1
Total IRA distributions						
Number of returns	8,889,787	9,240,253	9,516,936	10,024,085	10,635,115	6.1
Amount	87,513,180	85,901,123	90,997,605	98,330,993	107,330,248	9.2
Taxable IRA distributions in AGI						
Number of returns	8,291,357	8,611,702	8,913,846	9,387,189	9,965,065	6.2
Amount	64,112,995	62,738,356	70,361,371	75,152,074	80,872,602	7.6
Total pensions and annuities						
Number of returns	24,857,470	24,767,067	25,130,018	25,352,088	26,511,367	4.6
Amount	407,726,455	401,577,149	434,369,717	458,707,089	506,375,804	10.4
Taxable pensions and annuities in AGI						
Number of returns	22,794,417	22,822,842	23,123,390	23,247,374	24,098,220	3.7
Amount	260,058,837	264,866,081	272,862,179	281,221,456	292,123,518	3.9
Rents, royalties, partnerships, estates, trusts, etc.						
Number of returns	14,683,765	14,824,475	15,191,999	15,510,991	15,624,588	0.7
Amount	202,174,889	210,013,210	247,320,509	299,228,845	302,261,887	1.0
Farm net income less loss						
Number of returns	1,995,073	1,997,116	2,004,898	1,981,249	1,958,273	-1.2
Amount	-10,479,447	-8,786,571	-9,162,080	-8,145,104	-9,942,490	-22.1
Unemployment compensation in AGI						
Number of returns	10,334,639	10,065,230	9,094,911	7,887,700	7,378,438	-6.5
Amount	31,343,863	31,255,596	22,657,628	18,646,163	17,200,820	-7.8
Social security benefits (received)						
Number of returns	13,869,265	14,120,202	14,759,589	15,510,458	20,609,364	32.9
Amount	149,460,960	151,996,647	160,465,896	168,835,144	220,333,642	30.5
Taxable social security benefits in AGI						
Number of returns	10,702,502	10,975,002	11,691,859	12,660,754	13,749,185	8.6
Amount	67,921,144	69,437,643	76,444,558	83,553,594	93,647,107	12.1

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2002-2006, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Constant 1990 dollars [6]					Percent change, 2005 to 2006
	2002	2003	2004	2005	2006	
	(7)	(8)	(9)	(10)	(11)	(12)
Foreign earned income exclusion [2]						
Number of returns	316,931	306,393	295,313	303,940	329,264	8.3
Amount	10,855,217	10,707,675	10,689,534	10,894,170	11,773,446	8.1
Net operating loss [2]						
Number of returns	670,081	712,076	829,838	862,791	916,899	6.3
Amount	42,242,839	44,619,870	51,911,111	53,180,550	52,396,835	-1.5
Other income, net gain less loss [2]						
Number of returns	5,467,631	5,703,893	5,891,550	6,811,025	6,176,952	-9.3
Amount	13,881,504	15,120,190	16,053,753	17,980,845	19,415,344	8.0
Total income						
Number of returns	129,837,130	130,171,008	131,924,074	134,114,986	137,228,802	2.3
Amount	4,440,949,828	4,470,656,584	4,765,987,411	5,041,427,182	5,281,899,029	4.8
Archer MSA deduction						
Number of returns	61,118	67,347	32,334	18,808	18,668	-0.7
Amount	88,141	91,771	46,091	27,671	22,767	-17.7
Educator expenses						
Number of returns	2,884,403	3,240,673	3,402,468	3,503,719	3,166,931	-9.6
Amount	517,809	572,254	594,088	587,548	522,418	-11.1
Certain business expenses of reservists, performing artists, and fee-basis governement officials						
Number of returns	N/A	N/A	105,135	100,111	120,468	20.3
Amount	N/A	N/A	174,808	190,812	238,818	25.2
Health savings account deduction						
Number of returns	N/A	N/A	90,857	215,781	358,968	66.4
Amount	N/A	N/A	131,994	341,827	563,268	64.8
Moving expenses						
Number of returns	947,470	1,023,888	1,096,436	1,134,137	1,082,576	-4.5
Amount	1,610,023	1,732,837	2,042,936	2,059,279	2,048,801	-0.5
One-half of self-employment tax						
Number of returns	14,664,473	15,373,279	15,920,203	16,694,655	17,074,708	2.3
Amount	13,580,786	14,056,310	14,608,558	15,216,788	15,515,808	2.0
Self-employed health insurance						
Number of returns	3,571,152	3,802,277	3,883,687	3,901,082	3,804,190	-2.5
Amount	7,626,633	11,686,229	12,773,054	13,149,859	13,166,364	0.1
Keogh retirement plan						
Number of returns	1,186,947	1,208,801	1,201,332	1,256,900	1,228,299	-2.3
Amount	11,882,077	12,639,174	13,353,600	14,235,880	14,274,676	0.3
Penalty on early withdrawal of savings						
Number of returns	804,926	736,121	780,327	805,625	1,164,171	44.5
Amount	140,080	106,686	145,213	177,959	278,761	56.6
Alimony paid adjustment						
Number of returns	587,219	587,368	574,001	588,463	585,286	-0.5
Amount	5,220,583	5,341,147	5,861,680	5,993,332	5,911,650	-1.4
Total taxpayer IRA adjustment						
Number of returns	3,277,671	3,418,494	3,330,763	3,256,066	3,230,531	-0.8
Amount	6,876,747	7,107,112	6,940,212	8,034,161	8,128,084	1.2
Student loan interest deduction						
Number of returns	6,640,784	6,953,370	7,527,249	8,072,896	8,540,900	5.8
Amount	3,386,298	3,131,972	3,044,107	3,382,008	3,992,779	18.1
Jury duty pay						
Number of returns	N/A	N/A	N/A	N/A	57,259	[7]
Amount	N/A	N/A	N/A	N/A	33,602	[7]
Tuition and fees deduction						
Number of returns	3,444,941	3,571,154	4,710,253	4,696,013	4,015,828	-14.5
Amount	4,472,489	4,746,897	7,328,221	7,260,368	6,239,050	-14.1
Domestic production activities deduction						
Number of returns	N/A	N/A	N/A	336,959	421,128	25.0
Amount	N/A	N/A	N/A	1,580,310	2,142,102	35.5
Foreign housing deductions						
Number of returns	2,074	1,491	3,352	2,417	3,942	63.1
Amount	39,690	36,765	41,453	47,498	54,236	14.2
Other adjustments						
Number of returns	208,348	272,647	188,210	257,014	137,296	-46.6
Amount	773,347	933,441	766,358	938,629	696,490	-25.8
Total statutory adjustments						
Number of returns	28,911,078	30,382,069	32,153,965	33,591,124	33,980,524	1.2
Amount	56,076,622	62,198,634	67,852,373	73,223,927	73,829,674	0.8
Adjusted gross income or loss (AGI)						
Amount	4,384,873,206	4,408,457,950	4,698,135,038	4,968,203,255	5,208,069,355	4.8
Total itemized deductions						
Number of returns	45,647,551	43,949,591	46,335,237	47,755,427	49,123,555	2.9
Amount	652,650,669	640,529,001	690,822,462	750,877,467	797,170,744	6.2

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2002-2006, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Constant 1990 dollars [6]					Percent change, 2005 to 2006
	2002	2003	2004	2005	2006	
	(7)	(8)	(9)	(10)	(11)	(12)
Total standard deduction						
Number of returns	82,655,191	84,643,281	84,016,753	84,841,222	86,583,732	2.1
Amount	357,607,218	394,730,151	388,188,663	388,720,021	393,945,646	1.3
Basic standard deduction						
Number of returns	82,655,191	84,643,281	84,016,753	84,841,222	86,583,732	2.1
Amount	346,780,556	383,466,683	377,219,528	377,634,574	382,936,292	1.4
Additional standard deduction						
Number of returns	10,857,098	11,200,647	10,985,079	10,996,440	11,261,327	2.4
Amount	10,826,662	11,263,468	10,969,136	11,085,447	11,009,353	-0.7
AGI less deductions						
Number of returns	114,976,167	114,402,877	116,042,570	118,115,885	120,676,830	2.2
Amount	3,459,946,100	3,461,494,423	3,709,864,246	3,921,698,088	4,112,001,540	4.9
Number of exemptions	258,716,374	261,126,373	263,896,304	269,043,070	275,256,944	2.3
Exemption amount	553,372,406	554,904,167	554,110,756	562,184,863	578,412,198	2.9
Taxable income						
Number of returns	102,275,969	101,392,812	102,737,959	104,330,653	106,667,402	2.2
Amount	2,976,836,956	2,983,109,687	3,231,948,538	3,438,531,375	3,618,122,855	5.2
Tax from table, rate schedules, etc.						
Number of returns	102,266,930	101,386,201	102,721,593	104,321,332	106,658,774	2.2
Amount	603,080,757	554,201,549	602,925,850	651,075,606	688,227,973	5.7
Additional taxes						
Number of returns	13,291	21,370	9,884	10,595	12,787	20.7
Amount	111,602	157,733	59,246	15,890	28,048	76.5
Alternative minimum tax						
Number of returns	1,910,789	2,357,975	3,096,299	4,004,756	3,966,540	-1.0
Amount	4,981,033	6,725,712	9,016,774	11,660,690	13,984,816	19.9
Income tax before credits						
Number of returns	102,293,722	101,412,777	102,740,921	104,345,964	106,688,255	2.2
Amount	608,170,580	561,083,722	612,001,871	662,752,186	702,240,837	6.0
Foreign tax credit						
Number of returns	3,748,974	4,145,174	4,700,259	5,398,046	6,418,317	18.9
Amount	4,312,209	4,123,263	4,676,812	6,266,392	7,106,660	13.4
Child care credit						
Number of returns	6,185,855	6,313,297	6,316,649	6,500,596	6,466,792	-0.5
Amount	1,966,961	2,277,621	2,310,024	2,317,339	2,261,113	-2.4
Credit for elderly or disabled						
Number of returns	133,538	123,147	107,914	101,627	98,261	-3.3
Amount	15,348	14,387	12,969	9,456	9,449	-0.1
Education credits						
Number of returns	6,544,536	7,298,227	7,180,884	7,057,251	7,725,138	9.5
Amount	3,642,983	4,149,879	4,163,879	4,096,139	4,554,099	11.2
Retirement savings contributions credit						
Number of returns	5,307,176	5,296,688	5,288,732	5,293,605	5,192,133	-1.9
Amount	769,055	734,655	700,004	632,216	579,739	-8.3
Residential energy credit						
Number of returns	N/A	N/A	N/A	N/A	2,817,243	[7]
Amount	N/A	N/A	N/A	N/A	648,605	[7]
Child tax credit						
Number of returns	25,939,801	25,672,254	25,988,711	25,950,568	25,741,511	-0.8
Amount	15,639,732	16,184,677	22,353,256	21,450,884	20,584,663	-4.0
Adoption credit						
Number of returns	55,905	63,980	71,136	84,793	93,369	10.1
Amount	170,137	247,722	208,920	213,894	227,746	6.5
General business credit						
Number of returns	284,720	262,738	248,506	251,386	386,681	53.8
Amount	545,680	435,188	439,717	587,584	844,659	43.8
Prior year minimum tax credit						
Number of returns	193,776	250,605	274,596	290,376	359,098	23.7
Amount	709,592	650,950	624,221	723,730	669,421	-7.5
Total credits [3]						
Number of returns	38,846,217	39,247,449	39,841,978	40,526,374	44,397,533	9.6
Amount	28,159,493	29,168,590	35,708,890	36,526,841	37,705,453	3.2
Income tax less credits [1]						
Number of returns	93,565,243	91,109,363	90,876,672	92,343,186	94,509,890	2.3
Amount	580,011,086	531,915,132	576,292,981	626,225,345	664,535,383	6.1
Self-employment tax						
Number of returns	14,664,473	15,373,279	15,920,203	16,694,655	17,074,708	2.3
Amount	27,156,252	28,107,238	29,211,583	30,427,997	31,026,099	2.0
Recapture taxes						
Number of returns	14,684	15,797	41,161	15,206	12,536	-17.6
Amount	85,714	62,457	119,808	200,262	208,034	3.9

Footnotes at end of table.

Table A--Selected Income and Tax Items for Selected Years, 2002-2006, in Current and Constant 1990 Dollars--Continued [1]

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	Constant 1990 dollars [6]					Percent change, 2005 to 2006
	2002	2003	2004	2005	2006	
	(7)	(8)	(9)	(10)	(11)	(12)
Social security, Medicare tax on tip income not reported						
Number of returns	238,185	557,717	517,609	335,818	355,457	5.8
Amount	22,853	105,643	74,691	53,025	47,412	-10.6
Tax on qualified retirement plans						
Number of returns	4,896,938	4,877,670	4,924,584	4,822,297	5,148,030	6.8
Amount	2,542,200	2,420,412	2,519,290	2,556,996	2,819,533	10.3
Advanced earned income credit payments						
Number of returns	156,376	142,694	142,639	122,078	129,124	5.8
Amount	53,709	47,575	43,156	38,934	40,304	3.5
Household employment taxes						
Number of returns	229,722	240,601	243,702	228,381	225,441	-1.3
Amount	511,578	575,598	613,033	627,080	595,022	-5.1
Total tax liability [1,4]						
Number of returns	99,559,612	97,875,142	98,115,557	99,880,223	102,363,945	2.5
Amount	610,448,476	563,289,389	608,970,664	660,281,655	699,482,127	5.9
Income tax withheld						
Number of returns	114,861,744	114,861,706	116,312,978	118,161,380	120,500,889	2.0
Amount	521,433,331	499,828,469	506,390,562	523,868,537	546,754,202	4.4
Estimated tax payments						
Number of returns	12,434,579	11,576,213	10,996,504	11,053,213	11,128,072	0.7
Amount	144,024,415	129,905,477	130,636,925	147,926,054	164,071,733	10.9
Earned income credit [1]						
Number of returns	21,703,187	22,024,227	22,270,550	22,751,904	23,042,200	1.3
Amount	27,760,590	27,455,303	27,698,321	28,387,075	28,785,711	1.4
Nontaxable combat pay election						
Number of returns	N/A	N/A	10,024	21,973	8,323	-62.1
Amount	N/A	N/A	6,424	219,724	59,012	-73.1
Additional child tax credit						
Number of returns	10,937,417	12,570,455	14,528,434	15,219,712	15,590,592	2.4
Amount	4,662,611	6,472,099	10,000,013	10,371,593	10,537,542	1.6
Payment with an extension request						
Number of returns	1,235,156	1,333,579	1,518,779	1,627,572	1,758,125	8.0
Amount	26,396,754	27,203,969	41,016,060	52,097,622	56,116,030	7.7
Excess social security tax withheld						
Number of returns	1,145,352	1,121,141	1,242,604	1,383,240	1,443,437	4.4
Amount	1,136,975	1,112,508	1,195,599	1,354,293	1,484,311	9.6
Other payments:						
Form 2439						
Number of returns	19,422	12,717	9,608	19,812	84,547	326.7
Amount	27,399	87,808	23,359	35,459	33,851	-4.5
Form 4136						
Number of returns	365,868	349,860	345,020	340,769	318,754	-6.5
Amount	73,735	58,348	59,777	68,080	55,710	-18.2
Form 8885 [5]						
Number of returns	5,322	17,834	16,314	13,380	22,397	67.4
Amount	1,430	23,092	16,329	18,124	17,877	-1.4
Federal telephone excise tax credit						
Number of returns	N/A	N/A	N/A	N/A	96,873,353	[7]
Amount	N/A	N/A	N/A	N/A	2,700,430	[7]
Total payments [1]						
Number of returns	123,462,930	123,461,513	124,989,700	126,781,067	134,948,299	6.4
Amount	725,517,240	692,147,073	717,036,929	764,126,839	810,557,398	6.1
Overpayment, total						
Number of returns	103,462,884	105,361,848	103,706,648	104,778,359	109,915,823	4.9
Amount	174,261,629	180,790,867	176,515,460	182,135,245	191,826,845	5.3
Overpayment refunded						
Number of returns	100,143,606	102,004,984	100,674,244	101,870,385	107,001,071	5.0
Amount	149,700,108	156,073,785	153,198,252	155,940,841	162,737,607	4.4
Refund credited to next year						
Number of returns	5,418,534	5,199,186	4,314,593	4,055,960	3,978,421	-1.9
Amount	24,561,521	24,717,082	23,317,208	26,194,408	29,089,239	11.1
Tax due at time of filing						
Number of returns	22,818,761	21,072,333	24,452,350	25,659,937	26,694,105	4.0
Amount	59,802,124	52,373,159	68,985,314	79,138,083	81,900,058	3.5
Tax penalty						
Number of returns	5,149,988	4,829,886	5,641,853	5,882,477	6,496,924	10.4
Amount	609,259	439,975	536,122	848,021	1,148,484	35.4

[1] All items correspond to the Form 1040 line items. Therefore, some may differ from the SOI items shown in the Basic Tables in Section 3.
[2] Line 21 on Form 1040 consists of other income minus foreign earned income exclusion and net operating loss.
[3] Total credits includes the values for mortgage interest tax credit and "other credits" not tabulated here.
[4] Total tax liability includes the values for "other taxes" not tabulated here.
[5] The data for 2002 cover only the health coverage credit for insurance premiums paid in December 2002.
[6] Inflation-adjusted data were calculated using the consumer price index from the Bureau of Labor Statistics; based on 1990=100 when 1990 CPI-U = 130.7; 2006 CPI-U = 201.6; 2005 CPI-U = 195.3; 2004 CPI-U = 188.9; 2003 CPI-U = 184.0; 2002 CPI-U = 179.9
N/A = Not applicable.
[7] Percentage not computed.
* Includes Form 1040 Telefile.
** Includes Form 1040EZT.

Figure 1--General Filing Requirements

Marital Status	Filing Status	Age	Gross Income
Single (including divorced and legally separated)	Single	under 65	$8,450
		65 or older	$9,700
	Head of household	under 65	$10,850
		65 or older	$11,750
Married with a child and living apart from spouse during the last six months of 2006	Head of household	under 65	$10,850
		65 or older	$12,100
Married and living with spouse at the end of 2006 (or on the date spouse died)	Married, joint return	under 65 (both spouses)	$16,900
		65 or older (one spouse)	$17,900
		65 or older (both spouses)	$18,900
	Married, separate return	any age	$3,300
Married, not living with spouse at the end of 2006 (or on the date spouse died)	Married, joint or separate return	any age	$3,300
Widowed in 2004 or 2005 and not remarried in 2006	Single	under 65	$8,450
		65 or older	$9,700
	Head of household	under 65	$10,850
		65 or older	$11,750
	Qualifying widow(er) with dependent child	under 65	$13,600
		65 or older	$14,600

improvement in a series of planned innovations to the content and scope of this report. Section 4 provides explanations of the terms used in the tables. The tax forms appear in Section 5, and Section 6 contains a subject index.

Requirements for Filing

The filing requirements for Tax Year 2006 were based on gross income, marital status, age, and, to a lesser extent, dependency and blindness. Gross income included all income received in the form of money, property, and services that was not expressly exempt from tax. Generally, a citizen or resident of the United States was required to file a tax return if gross income for the year was at least as much as the amount shown for the appropriate filing status in Figure 1. Figure 2 shows the filing requirements for taxpayers who could be claimed as a dependent by another person (such as a parent).

In addition to the general filing requirements, an individual was obligated to file a return for Tax Year 2006 if he or she:

1. Was liable for any of the following taxes:
 - Social security or Medicare tax on unreported tip income;
 - Uncollected social security, Medicare, or railroad retirement tax on reported tip income or group-term life insurance;
 - Alternative minimum tax;
 - Tax on an individual retirement arrangement (IRA) or a qualified retirement plan;
 - Tax from the recapture of various credits, including investment credits or low-income housing credits;
 - Household employment taxes (unless only filing because taxpayer owed this tax, then taxpayer could have filed only schedule H);

Figure 2.-Filing Requirements for Children and Other Dependents

If someone (such as a parent) can claim the individual as a dependent, and any of the four conditions listed below applies, he or she must file a return

In this chart unearned income includes taxable interest, ordinary dividends, and capital gain distributions. Earned income includes wages, tips, and taxable scholarship and fellowship grants. Gross income is the total of unearned and earned incor

1. Single dependents under 65 must file a return if-

- Earned income was more than $5,150, or
- Unearned income was over $850, or
- Gross income was more than the larger of (a) $850 or (b) earned income (up to $4,850) plus $300.

2. Single dependents 65 or older or blind must file a return if-

- Earned income was more than $6,400 ($7,650 if 65 or older and blind), or
- Unearned income was more than $2,100 ($3,350 if 65 or older and blind), or
- Gross income was more than the total of earned income (up to $4,850) plus $300 or $850, whichever is larger; plus $1,250 ($2,500 if 65 or older and blind)

3. Married dependents under 65 must file a return if-

- Gross income was at least $5 and spouse files a separate return and itemizes deductions.
- Earned income was more than $5,150, or
- Unearned income was over $850, or
- Gross income was more than the larger of $850 or earned income (up to $4,850) plus $300.

4. Married dependents 65 or older or blind must file a return if-

- Earned income was more than $6,150 ($7,150 if 65 or older and blind), or
- Unearned was more than $1,850 ($2,850 if 65 or older and blind), or
- Gross income was more than the total of earned income (up to $4,850) plus $300 or $850, whichever is larger, plus $1,000 ($2,000 if 65 or older and blind)
- Gross income was at least $5 and spouse files a separate return and itemizes deductions.

2. Received any advanced earned income credit (AEIC) payments.
3. Had net earnings from self-employment of at least $400; or
4. Had wages of $108.28 or more from a church or qualified church-controlled organization that was exempt from employer social security and Medicare taxes.

Data shown in this report include individuals who were not required to file tax returns, but did so for any of a number of reasons. For example, an individual might have filed a return to obtain a refund of tax withheld, or take advantage of the earned income credit.

Changes in Law or Administrative Procedures

Major changes in effect for Tax Year 2006 that influenced the Statistics of Income data are listed below. Section 4, Explanation of Terms, provides more detailed explanations and definitions of the terms used in this report.

Additional Child Tax Credits

Modifications were made to the additional child tax credit for 2006. In Tax Year 2005, the credit limit based on earned income was 15 percent of a taxpayer's earned income that exceeded $11,000. For 2006, the limit was 15 percent of a taxpayer's earned income that exceeded $11,500.

Alternative Minimum Tax

For Tax Year 2006, the minimum exemption rose to $62,550 for a married couple filing a joint return, up from $58,000 in 2005, and to $42,500 for singles and heads of household, up from $40,250, and to $31,275 from $29,000 for a married person filing separately.

Earned Income Credit

The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends and capital gain income) a taxpayer could have and still claim the credit increased to $2,800 from $2,700. The maximum credit for taxpayers with no qualifying children increased to $412 from $399. For these taxpayers, earned income and AGI had to be less than $12,120 ($14,120 if married filing jointly) to get any EIC. For taxpayers with one qualifying child, the maximum credit increased $85 to $2,747 and, for taxpayers with two or more qualifying children, the maximum credit increased to $4,536 from $4,400. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than $32,001 ($34,001 for married filing jointly) for one qualifying child, or less than $36,348 ($38,348 for married filing jointly) for two or more qualifying children.

Exemption Amount

Indexing for inflation increased to $3,300 the deduction for each exemption to which the taxpayer was entitled for 2006, an increase from the $3,200 allowed for 2005. The AGI threshold for the limitation of exemption amounts was also indexed for inflation, increasing from $145,950 to $150,500 for single filers; $218,950 to $225,750 for married persons filing jointly and surviving spouses; $182,450 to $188,150 for heads of household; and $109,475 to $112,875 for married persons filing separately. The phase-out of the deduction for exemptions was completed at AGI levels above $273,000 for single filers; $348,250 for married persons filing jointly and surviving spouses; $310,650 for heads of household; and $183,750 for married persons filing separately. For 2006, a taxpayer could lose no more than 2/3 of the dollar amount of their exemption. This meant each exemption could not be reduced to less than $1,100 for 2006. For 2005 and previous years, exemption amounts could be limited to zero.

Federal Telephone Excise Tax Credit

Taxpayers who were billed after February 28, 2003 and before August 1, 2006, for federal telephone excise tax on long distance or bundled service may have taken a credit or refund for Tax Year 2006. Individuals were eligible to receive this credit even if they owed no tax or had not received a refund of this excise tax from their service provider. Taxpayers could request the standard amount based on the number of exemptions claimed on their return (number of exemptions: 0 = $0, 1 = $30, 2 = $40, 3 = $50, 4 or more = $60) or the actual amount shown on the taxpayer's long distance records. Individuals who did not otherwise have to file an income tax return filed a Form 1040EZ-T, Request for Refund of Federal Telephone Excise Tax, in order to obtain their refund.

Foreign-earned Income

Taxpayers who claimed the foreign earned income exclusion or the foreign housing deduction on Form 2555, *Foreign Earned Income,* had to use the foreign earned income tax worksheet to

figure their tax. Taxpayers had to refigure their tax on nonexcluded income using the tax tables that would have applied had they not claimed the exclusion.

General Business Credits

The Energy Tax Incentives Act of 2005 and the Safe, Accountable, Flexible, Efficient Transportation Act of 2005 provided tax incentives for energy efficient buildings and appliances, alternative and clean fuel vehicle credits, and other incentives and credits related to energy production and excise taxes.

Health Savings Account Deduction

The deduction was limited to the annual deductible on the qualifying high deductible health plan, but not more than $2,700 ($5,450 if family coverage), an increase from $2,650 ($5,250 if family coverage) in 2005. These limits were $700 higher if the taxpayer was age 55 or older ($1,400 if both spouses were 55 or older). For 2005, these limits were $600 and $1,200 respectively.

Individual Retirement Arrangement Deduction

For 2006, a taxpayer (both taxpayers for taxpayers filing jointly), was able to take an IRA deduction up to $4,000 ($5,000 if age 50 or older) if not covered by a retirement plan, or if covered by a retirement plan but their modified AGI was less than $60,000 ($85,000 if married filing jointly or qualifying widow(er)). This was up from $80,000 if married filing jointly or qualifying widow(er) for 2005. Military members serving in combat zone localities could count tax free combat pay in figuring how much to contribute to a Roth or traditional IRA. This allowed members of the military to make contributions with no taxable earned income, unlike in previous years.

Itemized Deductions

If a taxpayer's AGI was greater than $150,500 ($75,250 if married filing separately), his or her itemized deductions may have been limited; the threshold was increased from $145,950 ($72,975 if married filing separately) for 2005, as a result of inflation indexing. The limitation did not apply to deductions for medical and dental expenses, investment interest expenses, casualty or theft losses, and gambling losses; all other deductions were subject to the limitation. To arrive at allowable itemized deductions, total itemized deductions were reduced by the smaller of: (a) 80 percent of the non-exempt deductions, or (b) 3 percent of the amount of AGI in excess of the limitation threshold. For Tax Year 2006, the reduction amount was then divided by 3 and subtracted from the original reduction amount. As a result, the amount by which the deduction was reduced was only 2/3 of the amount of the reduction that would have otherwise applied (for 2005 and previous years).

Katrina Emergency Tax Relief Act of 2005

The Katrina Emergency Tax Relief Act of 2005 provided an additional exemption of $500 in years 2005 or 2006 for each Hurricane Katrina displaced individual claimed by the taxpayer. The total additional exemption claimed for all years cannot exceed: $2,000 for married taxpayers filing jointly, $1,000 for married taxpayers filing separately, and $2,000 for all other taxpayers. A Hurricane Katrina displaced individual is a person (1) whose main home on August 28, 2005 was in the Hurricane Katrina disaster area, (2) who is displaced from the home, and (3) who is provided housing free of charge in the taxpayer's main home for a period of 60 consecutive days which ends in the taxable year in which the exemption is claimed. The additional exemption is not subject to the income-based phaseouts applicable to personal exemptions, and is allowed as a deduction in computing alternative minimum taxable income.

Kiddie Tax

For Tax Year 2006, the age limit for children who received taxable income and needed to figure tax using their parent's higher marginal rates increased from 14 to 18. Also, the amount of taxable investment income a child could have

Figure 3.-Calculation of the 1979 Income Concept for 2006

1979 Total Income Concept=

Income or Loss:

- Salaries and wages [1]
- Interest [1]
- Dividends [1]
- Taxable refunds [1]
- Alimony received [1]
- Sales of capital assets, net gain or loss [1]
- Other gains and losses (Form 4797) [1]
- Business net income or loss [1]
- Farm net income or loss [1]
- Rent net income or loss [1]
- Royalty net income or loss [1]
- Partnership net income or loss [1]
- S Corporation net income or loss [1]
- Farm rental net income or loss [1]
- Estate or trust net income or loss [1]
- Unemployment compensation [1]
- Depreciation in excess of straight-line depreciation [2]
- Total pension income [3,5]
- Other net income or loss [4]
- Net operating loss [1]

Deductions:

- Disallowed passive losses (Form 8582) [6]
- Moving expenses [1]
- Alimony paid [1]
- Unreimbursed business expenses [6]

[1] Included in adjusted gross income (less deficit) (AGI) for Tax Year 2006.
[2] Adjustment to add back excess depreciation (accelerated over straight-line depreciation) deducted in the course of a trade or business and included in net income (loss) amounts shown above.
[3] Includes taxable and tax-exempt pension and retirement distributions, including IRA distributions.
[4] Includes an adjustment to add back amounts reported for the foreign-earned income exclusion."
[5] Not fully included in AGI for Tax Year 2006.
[6] Not included in AGI for Tax Year 2006.

before being taxed at their parent's rate rose to $1,700, up from $1,600.

Residential Energy Credit

For 2006, taxpayers could receive a 10 percent credit for buying qualified energy efficiency improvements for their main home. The maximum credit is $500 and no more than $200 of the credit can be attributable to expenses for windows.

Self-employment Tax

The ceiling on taxable "self-employment income" was raised, for 2006, to $94,200 for the social security portion (12.4 percent) of the self-employment tax. The limit was $90,000 for 2005.

Standard Deduction

For married persons filing jointly or surviving spouses, the standard deduction was increased in 2006, from $10,000 to $10,300.

For single filers and married persons filing separately, the standard deduction rose from $5,000 to $5,150; and for heads of household, from $7,300 to $7,550. The amount of standard deduction for a dependent was the greater of $850 or the dependent's earned income plus $300 (but not more than the regular standard deduction amount). Taxpayers who were age 65 or over or blind could claim an additional standard deduction amount of $1,000 or $1,250 depending on marital status.

The 1979 Income Concept: A Retrospective Income Definition

In order to analyze changes in income and taxes over a period of years, a consistent definition of income must be used. The income concept available from Federal income tax returns, AGI, was designed to facilitate tax administration, and its definition has changed over time to reflect modifications to the Internal Revenue Code. Tax laws of the 1980's (the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, and the Tax Reform Act of 1986) made significant

Table B--All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 2006

[All figures are estimates based on samples--money amounts are in millions of dollars]

Size of income	Income				Salaries and wages			
	2006 Adjusted Gross Income		1979 Income Concept		2006 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	**138,394,754**	**8,030,843**	**138,394,754**	**8,267,914**	**116,379,376**	**5,469,370**	**116,379,376**	**5,469,370**
Under $10,000	26,095,710	27,801	25,375,987	18,939	18,860,514	113,482	18,581,531	109,311
$10,000 under $20,000	22,649,374	337,396	22,862,807	340,984	18,057,847	255,089	18,262,690	259,606
$20,000 under $30,000	18,662,022	463,115	19,469,649	482,792	16,208,518	381,074	16,549,439	390,917
$30,000 under $40,000	14,151,824	492,158	14,756,183	513,029	12,585,820	408,124	12,851,992	418,804
$40,000 under $50,000	10,687,193	478,796	10,817,266	484,442	9,481,258	389,321	9,523,293	393,908
$50,000 under $60,000	8,737,131	478,756	8,533,497	467,653	7,769,958	382,605	7,686,564	383,462
$60,000 under $70,000	7,015,854	454,804	6,643,970	430,553	6,236,960	358,026	5,957,871	350,681
$70,000 under $80,000	5,864,866	438,764	5,520,997	413,048	5,259,746	345,286	5,027,684	334,918
$80,000 under $90,000	4,699,669	398,383	4,383,870	371,780	4,216,268	311,581	3,990,086	300,850
$90,000 under $100,000	3,677,804	348,521	3,375,395	319,770	3,339,373	273,004	3,129,298	259,458
$100,000 under $125,000	5,908,809	656,794	5,698,483	633,943	5,358,253	513,685	5,223,671	499,385
$125,000 under $150,000	3,122,919	426,919	3,118,749	425,879	2,798,150	317,222	2,804,671	313,345
$150,000 under $175,000	1,897,211	306,222	1,903,120	307,067	1,694,335	222,086	1,718,155	219,167
$175,000 under $200,000	1,159,484	216,387	1,230,057	229,734	1,037,581	152,057	1,089,882	150,134
$200,000 under $300,000	2,052,633	492,248	2,301,167	554,144	1,792,886	315,506	1,988,474	323,908
$300,000 under $400,000	712,339	244,464	848,089	291,557	607,735	143,216	716,553	150,039
$400,000 under $500,000	356,513	158,440	436,758	194,224	300,724	85,910	363,576	88,997
$500,000 under $1,000,000	589,306	399,609	713,367	482,725	487,691	188,814	587,835	199,578
$1,000,000 under $1,500,000	150,431	182,044	176,106	212,447	121,544	70,189	141,957	73,360
$1,500,000 under $2,000,000	64,007	110,212	77,679	133,669	51,234	37,610	61,810	40,141
$2,000,000 under $5,000,000	98,724	295,129	109,242	324,425	79,672	89,553	87,848	92,356
$5,000,000 under $10,000,000	24,975	171,408	26,195	179,321	20,365	44,037	21,414	44,968
$10,000,000 and over	15,956	452,475	16,119	455,790	12,944	71,895	13,083	72,080

Size of income	Taxable interest received				Ordinary dividends received		Ordinary dividends received	
	2006 Adjusted Gross Income		1979 Income Concept		2006 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	**62,401,235**	**222,707**	**62,401,235**	**222,707**	**31,619,775**	**199,359**	**31,619,775**	**199,359**
Under $10,000	6,491,634	10,859	6,111,408	10,798	3,258,358	4,954	3,082,383	4,925
$10,000 under $20,000	6,047,067	9,581	5,942,438	9,289	2,575,173	4,582	2,508,262	4,444
$20,000 under $30,000	5,570,463	9,081	6,104,669	11,150	2,279,094	4,449	2,553,357	5,485
$30,000 under $40,000	5,351,616	8,491	5,839,838	10,323	2,133,918	4,174	2,462,063	6,433
$40,000 under $50,000	5,113,117	8,360	5,316,841	9,984	2,210,312	5,242	2,294,713	5,702
$50,000 under $60,000	4,917,069	8,685	4,805,010	9,130	2,201,969	5,603	2,171,186	5,917
$60,000 under $70,000	4,450,296	9,093	4,176,839	8,154	2,109,257	5,726	1,930,749	5,733
$70,000 under $80,000	4,014,124	8,608	3,773,216	7,239	1,962,077	5,756	1,805,145	5,428
$80,000 under $90,000	3,408,705	7,281	3,133,089	6,367	1,738,884	5,692	1,586,722	5,217
$90,000 under $100,000	2,859,776	6,662	2,598,327	5,270	1,507,785	5,108	1,314,351	4,052
$100,000 under $125,000	4,843,566	11,934	4,627,851	11,215	2,781,388	11,512	2,609,540	10,371
$125,000 under $150,000	2,700,547	9,561	2,687,362	8,720	1,743,718	9,109	1,711,138	8,134
$150,000 under $175,000	1,698,745	7,194	1,704,974	6,601	1,172,019	7,125	1,173,416	6,328
$175,000 under $200,000	1,060,729	5,267	1,116,254	4,889	778,139	5,104	804,945	5,130
$200,000 under $300,000	1,916,127	13,163	2,134,862	13,269	1,477,081	15,384	1,620,298	14,941
$300,000 under $400,000	682,746	7,175	807,836	7,351	561,302	9,373	654,098	9,226
$400,000 under $500,000	346,643	5,020	421,612	5,234	295,912	6,073	356,421	6,107
$500,000 under $1,000,000	577,126	14,078	697,046	14,810	508,531	16,967	610,219	17,529
$1,000,000 under $1,500,000	148,607	7,402	173,774	7,396	135,761	8,818	158,193	8,989
$1,500,000 under $2,000,000	63,647	4,876	77,297	4,980	58,893	5,424	71,260	5,713
$2,000,000 under $5,000,000	98,086	13,487	108,518	13,639	90,849	15,016	100,746	15,242
$5,000,000 under $10,000,000	24,891	8,969	26,107	9,086	23,849	9,455	24,903	9,588
$10,000,000 and over	15,906	27,880	16,068	27,814	15,505	28,715	15,666	28,724

Footnotes at end of table

Table B--All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 2006--Continued

[All figures are estimates based on samples--money amounts are in millions of dollars]

Size of income	Business or profession net income less loss				Sales of capital assets			
	2006 Adjusted Gross Income		1979 Income Concept		2006 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	**21,656,409**	**281,527**	**21,656,409**	**281,527**	**26,668,205**	**779,462**	**26,668,205**	**779,462**
Under $10,000	4,073,073	5,303	3,780,104	2,052	2,954,743	11,064	2,821,257	11,836
$10,000 under $20,000	3,345,918	25,527	3,320,152	22,983	2,014,522	2,807	1,942,310	2,824
$20,000 under $30,000	2,108,150	17,752	2,187,003	16,557	1,783,037	3,336	2,013,504	3,931
$30,000 under $40,000	1,765,939	14,711	1,854,413	13,846	1,672,552	4,028	1,925,400	5,085
$40,000 under $50,000	1,565,876	13,569	1,589,814	12,961	1,784,377	5,115	1,855,190	5,774
$50,000 under $60,000	1,378,831	12,313	1,364,025	11,513	1,725,580	5,813	1,693,647	6,672
$60,000 under $70,000	1,188,670	11,132	1,201,587	11,368	1,657,967	6,517	1,534,568	7,036
$70,000 under $80,000	1,034,837	11,290	1,035,951	11,054	1,627,355	8,116	1,507,055	8,306
$80,000 under $90,000	853,471	10,696	819,573	9,815	1,415,450	8,020	1,303,314	8,119
$90,000 under $100,000	704,380	10,776	614,289	8,137	1,254,442	8,350	1,079,662	6,209
$100,000 under $125,000	1,177,196	19,908	1,208,081	20,756	2,319,984	18,158	2,168,708	17,264
$125,000 under $150,000	674,100	16,336	673,098	14,968	1,522,190	17,317	1,501,450	16,859
$150,000 under $175,000	430,107	13,736	434,816	13,130	1,059,468	16,057	1,039,986	14,199
$175,000 under $200,000	270,743	10,921	298,274	11,478	723,985	13,794	741,018	13,267
$200,000 under $300,000	547,356	28,045	627,774	32,050	1,435,874	45,535	1,558,963	44,460
$300,000 under $400,000	189,644	13,761	229,073	17,029	568,002	29,054	645,737	28,648
$400,000 under $500,000	100,501	8,546	119,359	9,847	295,544	23,314	350,483	23,335
$500,000 under $1,000,000	156,591	15,866	193,158	19,083	518,804	74,779	607,749	75,392
$1,000,000 under $1,500,000	37,964	5,143	46,436	5,950	139,923	43,744	159,678	43,903
$1,500,000 under $2,000,000	16,159	2,728	18,885	2,968	60,155	30,412	72,992	30,593
$2,000,000 under $5,000,000	26,003	9,434	29,219	9,783	94,231	92,753	104,306	93,586
$5,000,000 under $10,000,000	6,508	1,771	6,892	1,904	24,317	68,260	25,368	68,820
$10,000,000 and over	4,394	2,263	4,436	2,298	15,700	243,121	15,859	243,344

Size of income	Rents, royalties, and farm rental net income less loss				Partnership and S corporation net income less loss			
	2006 Adjusted Gross Income		1979 Income Concept		2006 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All returns, total	**9,987,998**	**23,427**	**9,987,998**	**23,427**	**7,619,301**	**425,477**	**7,619,301**	**425,477**
Under $10,000	954,035	-6,148	926,570	-6,680	617,160	-34,895	586,165	-35,009
$10,000 under $20,000	885,479	-322	849,413	-336	354,096	20	345,247	-13
$20,000 under $30,000	839,475	-879	918,821	-763	409,616	1,296	416,772	920
$30,000 under $40,000	790,576	-961	866,371	-639	398,754	2,234	409,053	1,748
$40,000 under $50,000	745,500	-959	768,234	-442	443,341	2,249	460,594	2,039
$50,000 under $60,000	694,108	-308	690,285	-356	416,279	3,390	437,952	3,392
$60,000 under $70,000	682,318	-479	645,632	-219	405,906	3,406	405,715	3,224
$70,000 under $80,000	659,758	-384	632,517	-728	399,454	4,407	380,092	4,098
$80,000 under $90,000	568,425	36	512,998	153	381,357	4,333	341,795	3,886
$90,000 under $100,000	477,000	286	425,911	810	317,808	4,299	305,560	4,313
$100,000 under $125,000	816,640	1,107	781,505	698	643,974	11,588	629,319	10,734
$125,000 under $150,000	498,180	2,263	471,800	2,334	447,194	10,300	429,023	9,795
$150,000 under $175,000	253,179	2,174	253,563	1,520	346,482	11,060	326,512	9,467
$175,000 under $200,000	175,464	1,565	193,625	2,069	260,608	9,980	264,684	9,575
$200,000 under $300,000	393,567	4,928	418,418	4,419	661,645	36,535	680,607	35,806
$300,000 under $400,000	161,834	2,715	186,858	2,550	307,932	27,449	329,576	27,090
$400,000 under $500,000	88,749	2,187	106,256	2,246	182,111	22,570	198,303	23,223
$500,000 under $1,000,000	166,768	5,695	188,894	5,733	356,985	73,457	384,228	75,139
$1,000,000 under $1,500,000	50,944	2,454	57,030	2,467	106,507	39,782	115,109	40,544
$1,500,000 under $2,000,000	24,410	1,487	27,674	1,537	48,403	25,335	53,935	26,358
$2,000,000 under $5,000,000	40,716	3,254	44,185	3,298	77,745	65,431	82,168	66,810
$5,000,000 under $10,000,000	12,046	1,469	12,553	1,497	21,442	33,815	22,265	34,487
$10,000,000 and over	8,829	2,248	8,885	2,262	14,503	67,434	14,627	67,852

Footnotes at end of table

Table B--All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 2006--Continued

[All figures are estimates based on samples--money amounts are in millions of dollars]

Size of income	Nondeductible passive losses				Estate and trust net income less loss			
	2006 Adjusted Gross Income		1979 Income Concept		2006 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	**1,891,387**	**33,824**	**1,891,387**	**33,824**	**595,604**	**17,183**	**595,604**	**17,183**
Under $10,000	150,104	4,512	203,675	11,560	47,973	-284	46,411	-288
$10,000 under $20,000	60,091	1,012	66,012	630	35,064	173	33,594	156
$20,000 under $30,000	69,377	1,137	77,450	992	28,208	171	39,218	220
$30,000 under $40,000	71,150	655	78,234	696	33,852	162	33,923	194
$40,000 under $50,000	67,308	666	62,855	527	30,019	195	31,506	277
$50,000 under $60,000	73,173	829	68,884	563	31,938	272	35,013	237
$60,000 under $70,000	65,328	574	67,625	570	33,992	301	31,570	380
$70,000 under $80,000	83,234	839	64,573	580	27,558	374	29,183	374
$80,000 under $90,000	59,204	835	46,530	404	26,429	301	24,603	263
$90,000 under $100,000	52,356	544	55,590	635	28,808	279	18,305	227
$100,000 under $125,000	142,473	1,931	146,983	1,525	49,532	648	52,612	632
$125,000 under $150,000	140,087	2,466	148,975	1,812	41,186	732	35,098	643
$150,000 under $175,000	179,853	2,360	145,264	1,405	31,807	478	28,294	476
$175,000 under $200,000	120,587	2,200	106,449	1,183	20,633	532	17,464	490
$200,000 under $300,000	242,044	3,458	222,126	2,367	42,992	1,436	46,061	1,298
$300,000 under $400,000	93,267	1,457	94,509	1,404	21,865	757	22,902	778
$400,000 under $500,000	51,946	1,005	54,044	807	14,088	561	15,165	654
$500,000 under $1,000,000	97,674	2,534	105,262	2,061	23,691	1,743	26,721	1,750
$1,000,000 under $1,500,000	28,009	900	29,356	740	8,422	1,127	9,242	1,105
$1,500,000 under $2,000,000	12,545	541	13,589	470	4,180	711	4,883	760
$2,000,000 under $5,000,000	21,481	1,273	23,157	1,073	8,038	1,943	8,427	1,947
$5,000,000 under $10,000,000	5,917	670	6,116	601	2,837	1,384	2,913	1,401
$10,000,000 and over	4,178	1,425	4,126	1,220	2,491	3,189	2,497	3,209

Size of income	Pensions and annuities in AGI [1]		Pensions and annuities [1]		Total statutory adjustments			
	2006 Adjusted Gross Income		1979 Income Concept		2006 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	**28,176,513**	**575,160**	**30,717,104**	**946,335**	**33,980,524**	**113,845**	**17,245,795**	**87,876**
Under $10,000	2,444,711	13,232	2,261,393	13,260	4,318,488	6,137	309,986	2,990
$10,000 under $20,000	4,158,856	40,403	4,193,391	41,443	4,159,929	5,916	786,092	5,323
$20,000 under $30,000	3,291,742	43,313	3,949,738	56,518	3,422,825	6,260	1,326,459	7,537
$30,000 under $40,000	2,794,978	43,127	3,403,466	60,057	3,120,636	6,107	1,646,551	8,402
$40,000 under $50,000	2,433,009	44,204	2,718,361	57,320	2,868,416	6,545	1,709,703	7,894
$50,000 under $60,000	2,193,026	44,584	2,203,878	49,717	2,537,807	5,991	1,728,228	7,490
$60,000 under $70,000	2,005,237	45,099	1,879,072	46,866	2,109,181	5,413	1,549,465	6,678
$70,000 under $80,000	1,687,078	40,700	1,614,160	43,590	1,831,336	4,936	1,396,126	5,694
$80,000 under $90,000	1,393,495	38,739	1,317,332	38,622	1,566,692	4,667	1,247,570	5,183
$90,000 under $100,000	1,130,211	31,582	1,073,996	32,590	1,385,118	4,549	1,033,560	4,086
$100,000 under $125,000	1,752,628	56,754	1,834,295	65,857	2,489,086	10,085	1,810,742	8,030
$125,000 under $150,000	940,656	37,389	1,106,304	52,364	1,330,531	6,527	910,282	4,225
$150,000 under $175,000	557,847	23,242	709,080	37,253	684,821	4,949	535,202	2,850
$175,000 under $200,000	341,885	14,896	502,126	33,119	387,853	3,526	336,119	1,865
$200,000 under $300,000	566,717	28,802	952,424	83,374	797,158	9,401	522,723	3,858
$300,000 under $400,000	185,953	10,514	363,130	47,812	303,042	5,055	165,352	1,603
$400,000 under $500,000	81,261	4,406	185,443	33,759	167,063	3,262	77,488	812
$500,000 under $1,000,000	136,018	7,911	294,807	71,953	298,496	6,878	108,347	1,675
$1,000,000 under $1,500,000	34,425	2,147	69,452	26,831	81,600	2,231	21,902	508
$1,500,000 under $2,000,000	14,915	1,038	32,719	19,784	36,587	1,161	8,737	236
$2,000,000 under $5,000,000	22,454	1,819	39,054	24,897	58,180	2,196	11,352	481
$5,000,000 under $10,000,000	5,652	613	8,468	5,981	15,304	809	2,538	232
$10,000,000 and over	3,758	645	5,016	3,369	10,376	1,246	1,269	223

Footnotes at end of table

Table B--All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 2006--Continued

[All figures are estimates based on samples--money amounts are in millions of dollars]

Size of income	Total itemized deductions				Taxable income			
	2006 Adjusted Gross Income		1979 Income Concept		2006 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
All returns, total	**49,123,555**	**1,229,237**	**49,099,251**	**1,173,295**	**106,667,402**	**5,579,145**	**106,667,402**	**5,579,145**
Under $10,000	922,978	13,933	974,212	13,996	4,812,195	7,987	4,797,813	9,297
$10,000 under $20,000	2,306,005	34,215	2,487,320	32,523	14,590,659	81,561	14,642,214	82,888
$20,000 under $30,000	3,358,387	48,571	3,743,337	50,611	17,082,754	196,552	17,656,602	208,727
$30,000 under $40,000	4,363,179	65,218	4,600,273	64,527	13,733,631	265,074	14,255,046	289,398
$40,000 under $50,000	4,546,362	71,839	4,571,173	68,205	10,511,657	284,972	10,600,232	303,539
$50,000 under $60,000	4,512,370	77,818	4,411,906	72,819	8,655,927	299,265	8,417,956	303,513
$60,000 under $70,000	4,230,494	78,351	3,975,108	69,996	6,972,897	295,448	6,570,876	286,624
$70,000 under $80,000	3,966,402	78,355	3,711,748	70,409	5,832,236	293,506	5,463,195	279,632
$80,000 under $90,000	3,491,422	72,024	3,246,848	64,523	4,684,616	273,253	4,350,620	254,501
$90,000 under $100,000	2,916,231	64,954	2,649,064	55,644	3,665,857	242,662	3,354,600	222,641
$100,000 under $125,000	5,040,862	124,995	4,809,323	113,423	5,898,229	468,332	5,662,854	443,252
$125,000 under $150,000	2,793,613	80,097	2,759,380	75,094	3,117,109	315,050	3,097,027	302,932
$150,000 under $175,000	1,738,700	56,237	1,715,747	52,221	1,893,363	230,910	1,894,637	220,520
$175,000 under $200,000	1,082,756	38,016	1,108,380	36,985	1,158,475	166,942	1,226,274	164,620
$200,000 under $300,000	1,947,901	82,288	2,115,710	82,678	2,049,784	392,308	2,288,216	395,927
$300,000 under $400,000	676,401	37,162	780,840	38,569	710,797	204,491	844,070	211,686
$400,000 under $500,000	337,936	22,306	399,564	23,410	355,631	135,058	432,809	140,107
$500,000 under $1,000,000	552,797	49,649	653,971	52,342	588,218	348,056	709,667	363,964
$1,000,000 under $1,500,000	142,284	20,078	165,343	20,889	150,188	161,556	175,132	166,195
$1,500,000 under $2,000,000	61,068	11,936	73,507	12,427	63,844	98,152	76,484	102,319
$2,000,000 under $5,000,000	95,326	30,052	105,204	30,756	98,492	265,082	108,849	270,499
$5,000,000 under $10,000,000	24,348	17,654	25,405	17,811	24,914	153,833	26,133	156,321
$10,000,000 and over	15,735	53,490	15,889	53,437	15,931	399,093	16,094	400,043

Size of income	Total tax credits				Total income tax			
	2006 Adjusted Gross Income		1979 Income Concept		2006 Adjusted Gross Income		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
All returns, total	**46,091,502**	**58,939**	**46,091,502**	**58,939**	**92,740,927**	**1,023,920**	**92,740,927**	**1,023,920**
Under $10,000	813,403	55	774,192	62	4,231,224	924	4,259,870	1,150
$10,000 under $20,000	4,897,990	1,374	4,947,895	1,412	11,496,426	7,132	11,496,998	7,260
$20,000 under $30,000	7,860,566	5,225	7,904,309	5,231	11,630,302	17,898	12,275,746	19,332
$30,000 under $40,000	5,849,213	5,688	6,062,000	5,826	11,156,227	27,293	11,621,410	30,494
$40,000 under $50,000	4,699,854	5,611	4,613,982	5,527	9,329,664	32,510	9,436,991	35,468
$50,000 under $60,000	3,660,996	5,394	3,677,626	5,370	8,078,633	36,989	7,856,837	37,860
$60,000 under $70,000	3,241,445	5,094	3,162,848	4,994	6,734,304	38,015	6,337,130	36,905
$70,000 under $80,000	2,939,293	4,834	2,818,562	4,671	5,710,311	38,353	5,343,526	36,849
$80,000 under $90,000	2,465,438	4,175	2,366,523	4,020	4,636,829	36,730	4,288,327	34,373
$90,000 under $100,000	1,994,524	3,279	1,867,676	3,070	3,638,992	34,376	3,329,496	31,990
$100,000 under $125,000	3,151,787	4,491	3,071,352	4,407	5,880,912	74,242	5,632,407	70,124
$125,000 under $150,000	1,405,671	1,257	1,422,839	1,326	3,111,490	56,666	3,078,993	54,177
$150,000 under $175,000	740,196	541	754,099	558	1,890,588	44,352	1,888,820	42,199
$175,000 under $200,000	460,323	333	487,002	386	1,158,392	34,121	1,224,877	33,223
$200,000 under $300,000	833,061	984	925,014	1,064	2,048,654	88,904	2,284,659	87,993
$300,000 under $400,000	315,069	798	366,886	819	710,871	52,060	840,980	52,698
$400,000 under $500,000	179,027	547	205,630	659	355,719	36,076	432,022	36,528
$500,000 under $1,000,000	342,863	1,745	393,311	1,862	588,046	94,214	709,200	97,561
$1,000,000 under $1,500,000	96,453	942	109,597	1,006	150,100	44,125	175,043	45,206
$1,500,000 under $2,000,000	43,087	629	50,993	634	63,863	26,721	76,488	27,876
$2,000,000 under $5,000,000	69,452	1,821	76,385	1,891	98,525	71,647	108,872	73,098
$5,000,000 under $10,000,000	18,816	1,039	19,690	1,057	24,924	39,557	26,142	40,274
$10,000,000 and over	12,972	3,084	13,090	3,087	15,929	91,014	16,093	91,282

[1] Individual Retirement Arrangements are included in the calculation of "Pensions and annuities."

NOTE: Detail may not add to totals because of rounding

changes to the components of AGI, which made it more difficult to use AGI for accurate comparisons of income from year to year. For this reason, it was decided to develop an income definition that would be consistent over several years, and would allow comparisons both before and after the major tax legislation of the 1980's.

The result was a retrospective income definition known as the 1979 Income Concept, reflecting a base period from 1979 through 1986. It was calculated using only data available from Individual income tax returns. By using the same income items in the calculation each year, its definition was consistent throughout the base years. In addition, this retrospective income definition could be used in future years to compare income by continuing to include the same components that were common to all years. The calculation of the 1979 Income Concept is shown in Figure 3. Several items partially excluded from AGI for the base years were fully included in this new income measure, the largest of which was capital gains. The full amount of all capital gains, as well as all dividends and unemployment compensation, was included in the income calculation. Total pensions, annuities, IRA distributions, and roll-overs were added, including the non-taxable portions that were excluded from AGI. Social security benefits were omitted because they were not reported on tax returns until 1984. Also, any depreciation in excess of straight-line depreciation, which was subtracted in computing AGI, was added back.

Deductions that could be subtracted in the calculation of the 1979 Income Concept were limited to employee business expenses, alimony paid, and moving expenses. These same items were also subtracted in computing AGI until 1987 when unreimbursed business expenses and moving expenses were changed from adjustments to itemized deductions. Starting in 1994, moving expenses were once more made an adjustment to income. The amounts reported for employee business expenses by taxpayers who itemized deductions were subtracted in the calculation of the 1979 Income Concept. Taxpayers who did not itemize deductions, however, could not claim this expense (as well as moving expenses prior to 1994). For this reason, the deduction for these two expenses beginning in 1987 is not completely comparable to that for previous years.

Comparison of AGI with 1979 Income Concept

The Tax Reform Act of 1986 (TRA 86) made extensive changes to the calculation of AGI beginning with 1987. These changes made necessary a revision of the calculation of the 1979 Income Concept, in order to make tax years beginning with 1987 comparable to the base years, 1979 through 1986. The law changes limited the deduction of passive losses and eliminated unreimbursed employee business expenses and moving expenses as "adjustments" (moving expenses changed back for 1994) in figuring AGI beginning with Tax Year 1987. Since passive losses had been fully deductible for both income measures prior to 1987, the disallowed passive losses had to be deducted in the 1979 Income Concept calculation for tax years after 1986.

Some income items, such as capital gains, that had been partially excluded from AGI under prior law were fully included. The new law also eliminated or restricted some deductions. Therefore, if AGI is used to measure income, comparisons between 1986 income and tax data with that for years after 1986 are misleading. A more accurate comparison can be made using the 1979 Income Concept because it measures income in the same way for all years. Table B shows total income and selected tax items for 2006 using AGI and the 1979 Income Concept, classified by size of 2006 income.

Before TRA 86 became effective, a comparison of income measured by AGI with that measured by the 1979 Income Concept showed significant differences at income levels of $200,000 or more. But, with the elimination of preferential treatment of various income items by TRA 86, such as the exclusion of a portion of capital gains, much of the difference disappeared. Under tax law prior to 1987, the capital gains exclusion accounted for the largest difference at the higher income levels between the two income measures. For 2006, 1979 Concept income was 3.0 percent higher than

income as calculated using AGI. This difference was primarily attributed to the inclusion of more than $371.2 billion in nontaxable pensions and annuities (including IRA distributions) in the 1979 Income Concept.

Income for all returns, using the 1979 Income Concept, increased 8.6 percent for 2006; income for the $200,000 and above group increased 16.8 percent. Total income tax for all returns increased 9.5 percent in 2006 after an increase of 12.4 percent in 2005; and total income tax reported for the $200,000 and above income group increased 13.7 percent for 2005, down significantly from the 23.3 percent increase for 2005. The average tax rates (income tax as a percentage of total income) for each income class and both income concepts for years 1986 through 2005 are shown in Figure 4.

For the population as a whole, average tax rates for 2006 (based on the 1979 Income Concept) were 0.1 percentage point higher than those for 2005. Between 1986 and 2006, the average tax rates declined in all income categories except below $10,000. For the first time, the $1,000,000 or more income category showed a decrease in average tax rates between 1986 and 2006 of 0.1 percentage point. Although the average tax rate for 2006 was calculated using a lower maximum marginal tax rate of 35.0 percent compared to 50 percent for 1986, it was calculated on income that included all capital gains (long-term gains could be partially excluded from income for 1986).

Figure 4--Total Income Tax as a Percentage of Adjusted Gross Income and the 1979 Income Concept, 1986-2005

Size of 2005 AGI	Total income tax as a percentage of adjusted gross income																				
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
All returns, total	**14.8**	**13.3**	**13.4**	**13.3**	**13.1**	**12.9**	**13.1**	**13.5**	**13.7**	**14.0**	**14.5**	**14.7**	**14.6**	**15.0**	**15.4**	**14.4**	**13.2**	**12.1**	**12.3**	**12.6**	**12.7**
Under $10,000	4.3	4.0	4.0	3.8	3.7	3.5	3.2	3.0	3.0	3.0	3.1	3.2	2.9	3.0	3.3	2.4	2.3	2.1	2.4	2.5	3.3
$10,000 under $20,000	7.8	6.8	6.5	6.4	6.1	5.5	5.1	4.9	4.8	4.7	4.6	4.3	4.3	4.1	4.1	3.4	2.6	2.4	2.3	2.2	2.1
$20,000 under $30,000	10.6	9.4	9.3	9.3	9.1	8.7	8.4	8.2	8.1	7.9	7.7	7.6	6.8	6.7	6.5	5.9	4.7	4.2	4.1	4.0	3.9
$30,000 under $40,000	12.2	10.6	10.9	10.9	10.6	10.5	10.2	10.1	10.0	9.8	9.7	9.6	8.8	8.6	8.5	8.0	6.7	6.1	5.8	5.6	5.5
$40,000 under $50,000	13.8	11.8	11.6	11.5	11.4	11.0	10.8	10.7	10.8	10.7	10.8	10.7	10.0	9.8	9.8	9.4	8.1	7.4	7.2	6.9	6.8
$50,000 under $60,000	15.5	13.5	13.2	12.9	12.4	12.1	11.6	11.5	11.4	11.4	11.3	11.3	10.7	10.6	10.6	10.2	9.2	8.5	8.1	7.8	7.7
$60,000 under $70,000	16.9	15.1	14.5	14.2	13.8	13.2	12.9	12.7	12.6	12.5	12.3	12.1	11.4	11.2	11.2	10.8	9.6	9.0	8.5	8.4	8.4
$70,000 under $80,000	18.7	16.5	15.6	15.3	14.9	14.4	14.0	13.9	13.8	13.6	13.6	13.4	12.6	12.4	12.1	11.6	10.6	9.4	9.0	8.8	8.7
$80,000 under $90,000	19.9	17.8	16.6	16.2	15.8	15.4	15.0	15.1	14.9	14.6	14.6	14.4	13.5	13.5	13.5	12.9	11.6	10.1	9.5	9.4	9.2
$90,000 under $100,000	20.8	18.8	17.4	17.3	16.6	16.0	15.9	15.7	15.9	15.8	15.4	15.2	14.8	14.5	14.4	13.7	12.7	11.0	10.5	10.1	9.9
$100,000 under $125,000	23.1	20.1	18.8	18.4	17.5	17.3	16.9	17.0	17.0	16.9	16.7	16.5	16.0	15.8	15.8	15.2	14.2	12.4	12.0	11.5	11.3
$125,000 under $150,000	25.2	21.8	20.3	19.8	19.2	18.6	18.7	18.6	18.6	18.3	18.4	17.7	17.7	17.6	17.4	16.8	16.0	14.2	13.7	13.4	13.3
$150,000 under $175,000	28.0	23.0	21.6	21.1	20.4	19.8	19.6	19.7	19.9	19.9	19.8	19.3	18.8	19.0	18.6	18.2	17.3	15.4	15.1	14.8	14.5
$175,000 under $200,000	29.3	23.9	22.5	21.8	21.1	21.0	20.7	21.2	21.4	20.9	20.9	20.5	20.0	20.0	19.9	19.1	18.4	16.8	16.4	16.2	15.8
$200,000 under $300,000	31.1	25.8	23.7	22.8	22.6	22.7	22.9	23.8	23.9	23.8	23.4	22.9	22.4	22.4	22.4	21.6	21.0	19.2	18.9	18.6	18.1
$300,000 under $400,000	33.7	27.0	24.0	23.6	23.7	24.3	24.4	26.9	26.9	26.8	26.6	26.1	25.4	25.4	25.0	24.7	24.2	22.4	22.1	21.6	21.3
$400,000 under $500,000	36.2	28.2	24.1	23.9	23.6	24.9	25.3	28.4	28.6	28.7	28.2	27.4	26.9	26.7	26.6	26.1	25.7	23.8	23.2	22.9	22.8
$500,000 under $1,000,000	38.4	29.0	24.6	24.0	24.0	25.7	26.0	30.0	30.2	30.2	30.1	29.0	28.2	28.4	28.3	28.1	27.9	24.9	24.3	23.8	23.6
$1,000,000 or more	40.2	28.6	25.0	24.2	24.1	26.2	26.8	31.2	31.1	31.4	30.8	28.8	27.5	27.9	27.7	28.3	28.5	24.8	23.4	23.0	22.5

Size of 2005 Income	Total income tax as a percentage of 1979 Income Concept																				
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)
All returns, total	**13.3**	**13.1**	**13.3**	**13.2**	**13.0**	**12.7**	**12.8**	**13.3**	**13.5**	**13.8**	**14.3**	**14.5**	**14.2**	**14.6**	**15.0**	**14.1**	**12.9**	**11.8**	**12.0**	**12.3**	**12.4**
Under $10,000	4.9	4.2	4.4	4.3	4.3	4.0	3.5	3.2	3.2	3.1	3.2	3.4	3.1	3.2	3.6	2.9	3.0	2.8	3.0	3.7	6.1
$10,000 under $20,000	7.6	6.7	6.5	6.4	6.1	5.5	5.1	4.8	4.8	4.7	4.6	4.4	4.2	4.1	4.0	3.4	2.6	2.4	2.3	2.2	2.1
$20,000 under $30,000	10.0	9.3	9.3	9.3	9.1	8.7	8.3	8.2	8.1	7.9	7.8	7.6	6.9	6.8	6.6	6.1	4.8	4.4	4.2	4.1	4.0
$30,000 under $40,000	11.6	10.7	10.7	10.9	10.7	10.5	10.2	10.2	10.1	10.1	10.0	9.8	9.1	8.9	9.0	8.4	7.1	6.5	6.2	6.0	5.9
$40,000 under $50,000	12.6	11.7	11.7	11.5	11.5	11.1	10.9	10.8	11.0	11.0	11.1	11.0	10.3	10.1	10.2	9.9	8.5	7.8	7.6	7.4	7.3
$50,000 under $60,000	13.8	13.4	13.2	12.9	12.5	12.0	11.6	11.6	11.6	11.6	11.6	11.5	11.0	10.9	10.9	10.6	9.5	8.7	8.4	8.1	8.1
$60,000 under $70,000	14.9	15.0	14.5	14.2	13.8	13.2	12.9	12.7	12.7	12.5	12.5	12.4	11.4	11.4	11.5	11.1	9.8	9.1	8.7	8.7	8.6
$70,000 under $80,000	15.8	16.2	15.4	15.2	14.6	14.2	13.7	13.7	13.6	13.6	13.5	13.3	12.6	12.4	12.3	11.8	10.8	9.5	9.1	9.0	8.9
$80,000 under $90,000	16.7	17.5	16.1	16.2	15.5	15.1	14.6	14.7	14.6	14.4	14.5	14.2	13.3	13.4	13.4	12.9	11.5	10.1	9.6	9.4	9.2
$90,000 under $100,000	16.8	18.1	17.1	16.8	16.1	15.5	15.2	15.3	15.4	15.5	15.2	15.2	14.5	14.0	14.2	13.6	12.7	11.0	10.4	10.1	10.0
$100,000 under $125,000	18.3	19.3	18.0	17.7	16.9	16.6	16.2	16.3	16.3	16.2	16.1	16.0	15.2	15.4	15.4	14.9	13.8	12.0	11.7	11.3	11.1
$125,000 under $150,000	19.0	20.6	19.6	18.8	18.0	17.3	17.2	17.7	17.4	17.4	17.3	16.7	16.6	16.6	16.6	16.2	15.2	13.6	13.0	12.8	12.7
$150,000 under $175,000	19.3	21.2	20.6	20.0	19.1	18.3	17.8	18.0	18.5	18.1	18.4	18.2	17.1	17.5	17.5	17.0	15.9	14.3	14.1	13.8	13.7
$175,000 under $200,000	20.3	22.5	21.6	20.7	20.0	18.6	19.0	19.1	19.4	19.2	18.9	18.8	18.1	18.4	18.0	17.8	16.8	15.3	14.9	15.0	14.5
$200,000 under $300,000	22.6	23.8	22.3	21.5	21.4	20.5	20.2	21.4	21.5	21.5	21.3	20.4	19.4	19.9	20.2	19.5	18.5	17.1	17.0	16.4	15.9
$300,000 under $400,000	22.6	24.5	22.6	21.9	21.5	21.6	21.6	23.5	23.7	23.7	23.1	24.0	21.5	21.3	21.7	21.3	20.5	19.2	18.9	18.4	18.1
$400,000 under $500,000	23.4	26.5	23.2	22.7	22.3	23.0	21.4	25.4	24.8	25.1	25.0	24.3	22.6	23.2	21.5	22.2	21.8	20.2	19.7	19.5	18.8
$500,000 under $1,000,000	23.7	26.7	23.5	22.0	21.7	23.5	22.6	26.3	26.1	26.7	27.1	26.1	24.3	24.0	24.3	24.2	23.7	21.7	20.7	21.0	20.2
$1,000,000 or more	21.4	26.8	24.5	23.2	23.2	25.2	26.1	29.5	30.1	30.4	29.8	27.5	26.2	26.1	26.0	27.0	26.7	23.4	22.3	21.8	21.3

Section 2

Description of the Sample

This section describes the sample design and selection, the method of estimation, the sampling variability of the estimates, and the methodology of computing confidence intervals.

Domain of Study

The statistics in this report are estimates from a probability sample of unaudited Individual Income Tax Returns, Forms 1040, 1040A, and 1040EZ (including electronic returns) filed by U.S. citizens and residents during Calendar Year 2007.

All returns processed during 2007 were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later, while amended returns were excluded because the original returns had already been subjected to sampling. A small percentage of returns were not identified as tentative or amended until after sampling. These returns, along with those that contained no income information, were excluded in calculating estimates. This resulted in a small difference between the population total (138,485,466 returns) reported in Table C and the estimated total of all returns (138,139,754) reported in other tables.

The estimates in this report are intended to represent all returns filed for Tax Year 2006. While most of the returns processed during Calendar Year 2007 were for Tax Year 2006, the remaining returns were mostly for prior years, and a few for non-calendar years ending during 2007 and 2008. Returns for prior years were used in place of 2006 returns received and processed after December 31, 2007. This was done based on the assumption that the characteristics of returns due, but not yet processed, can best be represented by the returns for previous income years that were processed in 2007.

Sample Design and Selection

The sample design is a stratified probability sample, in which the population of tax returns is classified into subpopulations, called strata, and a sample is randomly selected independently from each stratum. Strata are defined by:

1. Nontaxable (including no alternative minimum tax) with adjusted gross income or expanded income of $200,000 or more.

Valerie Testa, Jana Scali, and Katie Thamert designed the sample and prepared the text and tables in this section under the direction of Yahia Ahmed, Chief, Mathematical Statistics Section, Statistical Computing Branch.

2. High business receipts of $50,000,000 or more.

3. Presence or absence of special Forms or Schedules (Form 2555, Form 1116, Form 1040 Schedule C, and Form 1040 Schedule F).

4. Indexed positive or negative income. Sixty variables are used to derive positive and negative incomes. These positive and negative income classes are deflated using the Chain-Type Price Index for the Gross Domestic Product to represent a base year of 1991. (See footnote 1 for details.)

5. Potential usefulness of the return for tax policy modeling. Thirty-two variables are used to determine how useful the return is for tax modeling purposes.

Table C shows the population and sample count for each stratum after collapsing some strata with the same sampling rates. (See references 1 and 2 for details.) The sampling rates range from 0.10 percent to 100 percent.

Tax data processed to the IRS Individual Master File at the Enterprise Computing Center at Martinsburg during Calendar Year 2007 were used to assign each taxpayer's record to the appropriate stratum and to determine whether or not the record should be included in the sample. Records are selected for the sample either if they possess certain combinations of the four ending digits of the social security number, or if their ending five digits of an eleven-digit number generated by a mathematical transformation of the SSN is less than or equal to the stratum sampling rate times 100,000. (See reference 3 for details.)

Data Capture and Cleaning

Data capture for the SOI sample begins with the designation of a sample of administrative records. While the sample was being selected, the process was continually monitored for sample selection and data collection errors. In addition, a small subsample of returns was selected and independently reviewed, analyzed, and processed for a quality evaluation.

The administrative data and controlling information for each record designated for this sample was loaded onto an online database at the Cincinnati Submission Processing Center. Computer data for the selected administrative records were then used to identify inconsistencies, questionable values, and missing values as well as any additional variables that an editor needed to extract for each record. The editors use a hardcopy of the taxpayer's return to enter the required information onto the online system.

After the completion of service center review, data were further validated, tested, and balanced. Adjustments and imputations for selected fields based on prior year data and other available information were used to make each record internally consistent. Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness in light of provisions of the tax law, taxpayer reporting variations and limitations, economic conditions, and comparability with other statistical series.

Some returns designated for the sample were not available for SOI processing because other areas of IRS needed the return at the same time. For Tax Year 2006, 0.17 percent of the sample returns were unavailable.

Method of Estimation

Weights were obtained by dividing the population count of returns in a stratum by the number of sample returns for that stratum. The weights were adjusted to correct for misclassified returns. These weights were applied to the sample data to produce all of the estimates in this report.

Sampling Variability and Confidence Intervals

The sample used in this study is one of a large number of samples that could have been selected using the same sample design. The estimates calculated from these different samples would vary. The standard error (SE) of an estimate is a measure of the variation among the estimates from the possible samples and, thus, is a measure of the

precision with which an estimate from a particular sample approximates the average of the estimates calculated from all possible samples.

The standard error may be expressed as a percentage of the value being estimated. This ratio is called the coefficient of variation (CV). Tables 1.4 CV, 2.1 CV, and 3.3 CV contain estimated CV's for the estimates included in Tables 1.4, 2.1, and 3.3 of this report.

The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that the interval includes the population value. If all possible samples were selected under essentially the same conditions and an estimate and its estimated standard error were calculated from each sample, then:

1. About 68 percent of the intervals from one standard error below the estimate to one standard error above the estimate would include the population value. This is a 68 percent confidence interval.

2. About 95 percent of the intervals from two standard errors below the estimate to two standard errors above the estimate would include the population value. This is a 95 percent confidence interval.

For example, from Table 1.4, the estimate for State Income Tax Refunds, X, is $24.206 billion, and its related coefficient of variation, CV(X), is 0.77 percent. The standard error of the estimate, SE(X), needed to construct the confidence interval estimate, is:

$$\begin{aligned} SE(X) &= X \cdot CV(X) \\ &= (\$24.206 \times 10^9) \cdot (0.0070) \\ &= \$0.169 \text{ billion} \end{aligned}$$

The p percent confidence interval is calculated using the formula:

$$X \pm z \cdot SE(X)$$

where z takes the value 1, 2, or 3 when p is 68, 95, or 99, respectively. Based on these data, the 68 percent confidence interval is from $24.037 billion to $24.375 billion, the 95 percent confidence interval is from $23.868 billion to $24.544 billion, and the 99 percent confidence interval is from $23.699 billion to $24.713 billion.

Table Presentation

Whenever a weighted frequency is less than 3, the estimate and its corresponding amount are combined or deleted in order to avoid disclosure of information for specific taxpayers. (The combined or deleted data, if any, are included in the corresponding column totals.) These combinations and deletions are indicated by a double asterisk (**). Estimates based on less than 10 sampled returns are considered to be unreliable. These estimates are noted by a single asterisk (*) to the left of the data unless all of the sampled returns are selected with certainty (at the 100 percent rate).

In the tables, a dash (-) in place of a frequency or an amount indicates that either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any of the sampled returns.

Footnote

[1] Indexing of positive and negative income is done by dividing each by the ratio of the Chain-Type Price Index for the Gross Domestic Product for the fourth quarter of 2005 to the fourth quarter of the base year of 1991. The indices were calculated using the Gross Domestic Product (GDP) Chain-type Price Index found in the table titles "Quantity and Price Indexes for Gross Domestic Product" released to the public on November 29, 2006 on the BEA web site (http://www.bea.gov/).

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[3] Harte, J.M. (1986), "Some Mathematical and Statistical Aspects of the Transformed Taxpayer Identification Number: A Sample Selection Tool Used at IRS," Proceedings of the Section on Survey Research Methods, American Statistical Association, 603-608.

Table C.—Number of Individual Income Tax Returns in the Population and Sample by Sampling Strata for 2006

Description of the sample strata	Degree of interest [2]	Form 1040, with Form 2555		Form 1040, with Form 1116 but without Form 2555		Form 1040, with Schedule C but without Form 1116 or Form 2555		Form 1040, with Schedule F but without Schedule C, Form 1116 or Form 2555		All other forms		Number of returns	
												Population counts [1]	Sample counts
Grand total												138,485,446	317,975
Form 1040 returns only with adjusted gross income or expanded income of $200,000 and over, with no income tax after credits and no additional tax for tax preferences, total												13,388	10,279
Form 1040 returns only with combined Schedule C (business or profession) total receipts of $50,000,000 and over, total												265	235
Other Returns, total												138,471,793	307,461
		Population counts	Sample counts	Population counts	Sample counts	Population counts	Sample counts	Population counts	Sample counts	Population counts	Sample counts		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Total		324,044	15,657	4,931,947	70,082	21,266,480	57,767	1,383,972	5,590	110,565,350	158,365		
Indexed Negative Income [3]													
$10,000,000 or more	All	6	6	198	198	609	609	97	97	687	687	1,597	1,597
$5,000,000 under $10,000,000	All	4	4	366	366	961	961	183	183	1,144	1,144	2,658	2,658
$2,000,000 under $5,000,000	All	38	37	1,630	555	3,844	1,279	629	243	4,686	1,533	10,827	3,647
$1,000,000 under $2,000,000	All	107	104	3,585	580	8,707	1,352	1,635	265	9,452	1,450	23,486	3,751
$500,000 under $1,000,000	All	355	143	8,598	282	23,319	766	4,478	151	23,241	769	59,991	2,111
$250,000 under $500,000	All	974	94	17,774	202	57,085	541	10,265	84	54,781	537	140,879	1,458
$120,000 under $250,000	All	2,907	286	30,729	120	124,065	618	17,815	78	124,384	641	299,900	1,743
$60,000 under $120,000	All	7,761	154	31,024	90	168,909	572	18,743	68	187,636	541	414,073	1,425
Under $60,000	All	15,018	151	23,914	40	423,298	762	28,727	58	645,241	1,222	1,136,198	2,233
Indexed Positive Income [3]													
Under $30,000	1									31,663,929	31,670	31,663,929	31,670
Under $30,000	2	5,621	59	231,004	233	2,724,392	2,780	83,508	82	26,320,904	26,129	29,365,429	29,283
Under $30,000	3-4	55,459	582	242,954	361	4,520,526	7,093	115,266	197	5,895,299	9,074	10,829,504	17,307
$30,000 under $60,000	1-2	5,556	63	459,148	449	1,971,856	1,969	168,590	169	21,580,125	21,618	24,185,275	24,268
$30,000 under $60,000	3-4	67,022	680	508,770	815	3,789,084	6,001	256,234	418	6,128,621	9,806	10,749,731	17,720
$60,000 under $120,000	1-3	9,607	218	858,854	865	2,276,452	2,285	220,286	215	11,055,465	10,894	14,420,664	14,477
$60,000 under $120,000	4	72,309	1,507	581,381	851	2,629,243	4,031	190,709	276	2,898,536	4,450	6,372,178	11,115
$120,000 under $250,000	1-3	15,978	1,379	271,042	518	395,554	773	83,773	158	1,195,437	2,395	1,961,784	5,223
$120,000 under $250,000	4	32,632	2,664	765,050	2,494	1,433,341	4,780	91,429	308	1,881,240	6,192	4,203,692	16,438
$250,000 under $500,000	All	20,268	1,693	486,934	3,568	509,536	3,710	64,465	442	638,161	4,598	1,719,364	14,011
$500,000 under $1,000,000	All	7,961	3,134	234,393	5,675	148,820	3,766	19,742	487	178,260	4,495	589,176	17,557
$1,000,000 under $2,000,000	All	2,915	1,159	101,077	12,180	39,596	4,870	5,244	605	52,927	6,438	201,759	25,252
$2,000,000 under $5,000,000	All	1,167	1,161	50,186	16,304	13,405	4,371	1,682	534	19,284	6,172	85,724	28,542
$5,000,000 under $10,000,000	All	257	257	13,919	13,919	2,612	2,612	333	333	4,018	4,018	21,139	21,139
$10,000,000 or more	All	122	122	9,417	9,417	1,266	1,266	139	139	1,892	1,892	12,836	12,836

[1] This population includes an estimated 90,712 returns that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling.

[2] Each population member is assigned a degree of interest based on how useful it is for tax modeling purposes. Degree of interest ranges from one (1) to four (4), with a one being assigned to returns that are the least interesting, and a four being assigned to those that are the most interesting. 'All' refers to income classes for which returns with all four degrees of interest are assigned.

[3] Positive and Negative income classes are divided by a Chain-Type Price Index for the Gross Domestic Product of 1.3386 to represent a base year of 1991.

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Tony Hall, Lori Hentz and Michael Parisi were responsible for programming the Basic Tables. Table 1.4CV, 2.1CV, and 3.3CV were programmed by Valerie Testa. Review of tables was performed by Michael Parisi and Justin Bryan.

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Table 1.1--Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars except as indicated)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Size of Adjusted Gross Income									
Total	**138,394,754**	**100.0**	**8,030,842,945**	**100.0**	**58,029**	**92,740,927**	**100.0**	**7,439,473,162**	**100.0**
No adjusted gross income	2,675,594	1.9	-91,196,611	[1]	-34,085	6,301	[2]	-5,987,541	[1]
$1 under $5,000	11,633,370	8.4	31,004,475	0.4	2,665	856,788	0.9	2,257,448	[2]
$5,000 under $10,000	11,786,747	8 5	87,992,646	1.1	7,465	3,368,135	3 6	25,495,646	0.3
$10,000 under $15,000	11,711,680	8.5	146,357,710	1.8	12,497	5,775,872	6.2	72,134,324	1.0
$15,000 under $20,000	10,937,694	7.9	191,038,095	2.4	17,466	5,720,555	6.2	100,369,887	1.3
$20,000 under $25,000	9,912,261	7 2	222,862,623	2.8	22,484	5,853,087	6.3	131,704,447	1.8
$25,000 under $30,000	8,749,761	6.3	240,252,128	3.0	27,458	5,777,215	6.2	159,017,821	2.1
$30,000 under $40,000	14,151,824	10.2	492,158,138	6.1	34,777	11,156,228	12.0	389,433,125	5 2
$40,000 under $50,000	10,687,193	7.7	478,795,699	6.0	44,801	9,329,664	10.1	418,586,587	5.6
$50,000 under $75,000	18,854,917	13.6	1,158,386,347	14 4	61,437	17,817,863	19.2	1,097,416,753	14.8
$75,000 under $100,000	11,140,408	8.0	960,841,319	12.0	86,248	10,981,207	11.8	947,433,910	12.7
$100,000 under $200,000	12,088,423	8.7	1,606,322,715	20.0	132,881	12,041,382	13.0	1,600,506,040	21.5
$200,000 under $500,000	3,121,485	2.3	895,151,023	11.1	286,771	3,115,244	3.4	893,337,094	12.0
$500,000 under $1,000,000	589,306	0.4	399,608,986	5.0	678,101	588,046	0.6	398,745,041	5 4
$1,000,000 under $1,500,000	150,431	0.1	182,043,576	2 3	1,210,147	150,100	0.2	181,642,049	2.4
$1,500,000 under $2,000,000	64,007	[2]	110,211,789	1.4	1,721,871	63,863	0.1	109,965,064	1.5
$2,000,000 under $5,000,000	98,724	0.1	295,129,497	3.7	2,989,440	98,525	0.1	294,545,355	4 0
$5,000,000 under $10,000,000	24,975	[2]	171,407,703	2.1	6,863,171	24,924	[2]	171,031,711	2 3
$10,000,000 or more	15,956	[2]	452,475,087	5.6	28,357,677	15,929	[2]	451,838,401	6.1

Size and accumulated size of adjusted gross income	Taxable returns--continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percentage of total	Number of returns	Amount	Percentage of total	Amount	Percentage of			Average income tax (dollars)
								Total	Taxable income	Adjusted gross income less deficit	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Size of Adjusted Gross Income											
Total	**92,713,707**	**5,460,467,126**	**100.0**	**92,740,926**	**1,023,916,399**	**100.0**	**1,023,920,139**	**100.0**	**18.8**	**13.8**	**11,041**
No adjusted gross income	--	--	[1]	6,301	181,211	[2]	181,211	[2]	[1]	[1]	28,759
$1 under $5,000	856,524	959,903	[2]	856,788	88,684	[2]	88,684	[2]	9.2	3 9	104
$5,000 under $10,000	3,366,091	6,593,825	0.1	3,368,135	654,390	0.1	654,390	0.1	9.9	2.6	194
$10,000 under $15,000	5,774,668	24,791,811	0.5	5,775,872	2,373,130	0.2	2,373,130	0.2	9 6	3 3	411
$15,000 under $20,000	5,718,790	46,091,776	0.8	5,720,555	4,759,278	0.5	4,759,278	0.5	10.3	4.7	832
$20,000 under $25,000	5,852,412	67,420,436	1.2	5,853,087	7,501,691	0.7	7,501,691	0.7	11.1	5.7	1,282
$25,000 under $30,000	5,777,020	91,166,552	1.7	5,777,215	10,396,566	1.0	10,396,566	1.0	11 4	6.5	1,800
$30,000 under $40,000	11,155,560	237,763,671	4 4	11,156,228	27,293,090	2.7	27,293,090	2 7	11.5	7.0	2,446
$40,000 under $50,000	9,329,077	267,238,142	4 9	9,329,664	32,509,507	3 2	32,509,507	3.2	12 2	7.8	3,485
$50,000 under $75,000	17,814,551	726,336,744	13.3	17,817,863	94,443,384	9 2	94,443,396	9 2	13.0	8.6	5,300
$75,000 under $100,000	10,979,416	656,902,758	12.0	10,981,207	90,019,371	8.8	90,019,371	8.8	13.7	9.5	8,198
$100,000 under $200,000	12,036,255	1,180,048,005	21.6	12,041,382	209,381,101	20 4	209,381,101	20.4	17.7	13 1	17,388
$200,000 under $500,000	3,112,958	731,077,382	13 4	3,115,243	177,041,085	17.3	177,041,086	17 3	24.2	19.8	56,831
$500,000 under $1,000,000	587,466	347,608,241	6.4	588,046	94,213,951	9.2	94,213,951	9.2	27.1	23.6	160,215
$1,000,000 under $1,500,000	149,994	161,343,642	3.0	150,100	44,125,182	4.3	44,125,225	4 3	27.3	24 3	293,972
$1,500,000 under $2,000,000	63,752	98,009,348	1.8	63,863	26,720,695	2.6	26,721,295	2.6	27.3	24.3	418,416
$2,000,000 under $5,000,000	98,377	264,780,730	4.8	98,525	71,645,509	7.0	71,647,095	7.0	27.1	24.3	727,197
$5,000,000 under $10,000,000	24,884	153,633,684	2.8	24,924	39,556,521	3.9	39,556,521	3.9	25.7	23.1	1,587,086
$10,000,000 or more	15,911	398,700,477	7.3	15,929	91,012,054	8.9	91,013,554	8.9	22 8	20.1	5,713,702

Footnotes at end of table

Table 1.1--Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars except as indicated)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
Accumulated from Smallest Size of Adjusted Gross Income									
No adjusted gross income	2,675,594	1.9	-91,196,611	[1]	-34,085	6,301	[2]	-5,987,541	[1]
$1 under $5,000	11,633,370	8.4	31,004,475	0.4	2,665	856,788	0.9	2,257,448	[2]
$1 under $10,000	23,420,116	16.9	118,997,121	1.5	5,081	4,224,923	4.6	27,753,094	0.4
$1 under $15,000	35,131,797	25.4	265,354,831	3.3	7,553	10,000,794	10.8	99,887,418	1.3
$1 under $20,000	46,069,491	33.3	456,392,925	5.7	9,907	15,721,349	17.0	200,257,306	2.7
$1 under $25,000	55,981,752	40.5	679,255,548	8.5	12,134	21,574,436	23.3	331,961,753	4.5
$1 under $30,000	64,731,513	46.8	919,507,676	11.4	14,205	27,351,651	29.5	490,979,574	6.6
$1 under $40,000	78,883,337	57.0	1,411,665,814	17.6	17,896	38,507,878	41.5	880,412,699	11.8
$1 under $50,000	89,570,530	64.7	1,890,461,513	23.5	21,106	47,837,543	51.6	1,298,999,286	17.5
$1 under $75,000	108,425,446	78.3	3,048,847,860	38.0	28,119	65,655,406	70.8	2,396,416,039	32.2
$1 under $100,000	119,565,854	86.4	4,009,689,179	49.9	33,535	76,636,613	82.6	3,343,849,949	44.9
$1 under $200,000	131,654,277	95.1	5,616,011,895	69.9	42,657	88,677,995	95.6	4,944,355,988	66.5
$1 under $500,000	134,775,762	97.4	6,511,162,917	81.1	48,311	91,793,239	99.0	5,837,693,082	78.5
$1 under $1,000,000	135,365,067	97.8	6,910,771,903	86.1	51,053	92,381,285	99.6	6,236,438,122	83.8
$1 under $1,500,000	135,515,499	97.9	7,092,815,479	88.3	52,340	92,531,385	99.8	6,418,080,171	86.3
$1 under $2,000,000	135,579,506	98.0	7,203,027,268	89.7	53,128	92,595,248	99.8	6,528,045,235	87.7
$1 under $5,000,000	135,678,229	98.0	7,498,156,765	93.4	55,264	92,693,773	99.9	6,822,590,590	91.7
$1 under $10,000,000	135,703,204	98.1	7,669,564,468	95.5	56,517	92,718,697	100.0	6,993,622,301	94.0
$1 or more	135,719,160	98.1	8,122,039,556	101.1	59,844	92,734,626	100.0	7,445,460,702	100.1
All returns	**138,394,754**	**100.0**	**8,030,842,945**	**100.0**	**58,029**	**92,740,927**	**100.0**	**7,439,473,162**	**100.0**

Size and accumulated size of adjusted gross income	Taxable returns--continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percentage of total	Number of returns	Amount	Percentage of total	Amount	Percentage of			Average income tax (dollars)
								Total	Taxable income	Adjusted gross income less deficit	
	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Accumulated from Smallest Size of Adjusted Gross Income											
No adjusted gross income	–	–	[1]	6,301	181,211	[2]	181,211	[2]	[1]	[1]	28,759
$1 under $5,000	856,524	959,903	[2]	856,788	88,684	[2]	88,684	[2]	9.2	3.9	104
$1 under $10,000	4,222,616	7,553,728	0.1	4,224,923	743,074	0.1	743,074	0.1	9.8	2.7	176
$1 under $15,000	9,997,283	32,345,539	0.6	10,000,794	3,116,203	0.3	3,116,203	0.3	9.6	3.1	312
$1 under $20,000	15,716,074	78,437,315	1.4	15,721,349	7,875,481	0.8	7,875,481	0.8	10.0	3.9	501
$1 under $25,000	21,568,486	145,857,751	2.7	21,574,436	15,377,173	1.5	15,377,173	1.5	10.5	4.6	713
$1 under $30,000	27,345,506	237,024,302	4.3	27,351,651	25,773,739	2.5	25,773,739	2.5	10.9	5.2	942
$1 under $40,000	38,501,066	474,787,973	8.7	38,507,878	53,066,828	5.2	53,066,828	5.2	11.2	6.0	1,378
$1 under $50,000	47,830,143	742,026,116	13.6	47,837,543	85,576,336	8.4	85,576,336	8.4	11.5	6.6	1,789
$1 under $75,000	65,644,694	1,468,362,859	26.9	65,655,406	180,019,719	17.6	180,019,731	17.6	12.3	7.5	2,742
$1 under $100,000	76,624,110	2,125,265,617	38.9	76,636,613	270,039,090	26.4	270,039,102	26.4	12.7	8.1	3,524
$1 under $200,000	88,660,365	3,305,313,622	60.5	88,677,995	479,420,191	46.8	479,420,203	46.8	14.5	9.7	5,406
$1 under $500,000	91,773,323	4,036,391,004	73.9	91,793,238	656,461,276	64.1	656,461,288	64.1	16.3	11.2	7,152
$1 under $1,000,000	92,360,789	4,383,999,245	80.3	92,381,284	750,675,227	73.3	750,675,240	73.3	17.1	12.0	8,126
$1 under $1,500,000	92,510,782	4,545,342,886	83.2	92,531,384	794,800,409	77.6	794,800,464	77.6	17.5	12.4	8,590
$1 under $2,000,000	92,574,535	4,643,352,235	85.0	92,595,247	821,521,104	80.2	821,521,759	80.2	17.7	12.6	8,872
$1 under $5,000,000	92,672,912	4,908,132,965	89.9	92,693,772	893,166,613	87.2	893,168,854	87.2	18.2	13.1	9,636
$1 under $10,000,000	92,697,796	5,061,766,649	92.7	92,718,696	932,723,134	91.1	932,725,375	91.1	18.4	13.3	10,060
$1 or more	92,713,707	5,460,467,126	100.0	92,734,625	1,023,735,188	100.0	1,023,738,929	100.0	18.7	13.7	11,039
All returns	**92,713,707**	**5,460,467,126**	**100.0**	**92,740,926**	**1,023,916,399**	**100.0**	**1,023,920,139**	**100.0**	**18.8**	**13.8**	**11,041**

Footnotes at end of table.

Table 1.1--Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars except as indicated)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)
Accumulated from Largest Size of Adjusted Gross Income									
$10,000,000 or more	15,956	[2]	452,475,087	5.6	28,357,677	15,929	[2]	451,838,401	6.1
$5,000,000 or more	40,931	[2]	623,882,790	7.8	15,242,305	40,853	[2]	622,870,112	8.4
$2,000,000 or more	139,655	0.1	919,012,287	11.4	6,580,590	139,378	0.2	917,415,467	12.3
$1,500,000 or more	203,661	0.1	1,029,224,076	12.8	5,053,614	203,241	0.2	1,027,380,531	13.8
$1,000,000 or more	354,093	0.3	1,211,267,653	15.1	3,420,761	353,341	0.4	1,209,022,580	16.3
$500,000 or more	943,398	0.7	1,610,876,638	20.1	1,707,526	941,387	1.0	1,607,767,621	21.6
$200,000 or more	4,064,884	2.9	2,506,027,661	31.2	616,507	4,056,631	4.4	2,501,104,714	33.6
$100,000 or more	16,153,306	11.7	4,112,350,377	51.2	254,583	16,098,014	17.4	4,101,610,754	55.1
$75,000 or more	27,293,714	19.7	5,073,191,695	63.2	185,874	27,079,221	29.2	5,049,044,664	67.9
$50,000 or more	46,148,630	33.3	6,231,578,042	77.6	135,033	44,897,084	48.4	6,146,461,416	82.6
$40,000 or more	56,835,823	41.1	6,710,373,742	83.6	118,066	54,226,748	58.5	6,565,048,003	88.2
$30,000 or more	70,987,647	51.3	7,202,531,880	89.7	101,462	65,382,975	70.5	6,954,481,129	93.5
$25,000 or more	79,737,408	57.6	7,442,784,007	92.7	93,341	71,160,190	76.7	7,113,498,950	95.6
$20,000 or more	89,649,669	64.8	7,665,646,631	95.5	85,507	77,013,277	83.0	7,245,203,397	97.4
$15,000 or more	100,587,363	72.7	7,856,684,725	97.8	78,108	82,733,832	89.2	7,345,573,284	98.7
$10,000 or more	112,299,044	81.1	8,003,042,435	99.7	71,265	88,509,704	95.4	7,417,707,608	99.7
$5,000 or more	124,085,791	89.7	8,091,035,081	100.7	65,205	91,877,838	99.1	7,443,203,254	100.1
$1 or more	135,719,160	98.1	8,122,039,556	101.1	59,844	92,734,626	100.0	7,445,460,702	100.1
All returns	**138,394,754**	**100.0**	**8,030,842,945**	**100.0**	**58,029**	**92,740,927**	**100.0**	**7,439,473,162**	**100.0**

Size and accumulated size of adjusted gross income	Taxable returns--continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percentage of total	Number of returns	Amount	Percentage of total	Amount	Percentage of			Average income tax (dollars)
								Total	Taxable income	Adjusted gross income less deficit	
	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Accumulated from Largest Size of Adjusted Gross Income											
$10,000,000 or more	15,911	398,700,477	7.3	15,929	91,012,054	8.9	91,013,554	8.9	22.8	20.1	5,713,702
$5,000,000 or more	40,795	552,334,161	10.1	40,853	130,568,575	12.8	130,570,075	12.8	23.6	21.0	3,196,095
$2,000,000 or more	139,172	817,114,891	15.0	139,378	202,214,084	19.7	202,217,170	19.7	24.7	22.0	1,450,854
$1,500,000 or more	202,925	915,124,239	16.8	203,241	228,934,779	22.4	228,938,464	22.4	25.0	22.3	1,126,438
$1,000,000 or more	352,918	1,076,467,881	19.7	353,341	273,059,961	26.7	273,063,689	26.7	25.4	22.6	772,805
$500,000 or more	940,384	1,424,076,122	26.1	941,387	367,273,912	35.9	367,277,640	35.9	25.8	22.8	390,145
$200,000 or more	4,053,342	2,155,153,504	39.5	4,056,630	544,314,997	53.2	544,318,726	53.2	25.3	21.8	134,180
$100,000 or more	16,089,597	3,335,201,509	61.1	16,098,013	753,696,098	73.6	753,699,827	73.6	22.6	18.4	46,819
$75,000 or more	27,069,013	3,992,104,266	73.1	27,079,220	843,715,469	82.4	843,719,198	82.4	21.1	16.7	31,157
$50,000 or more	44,883,564	4,718,441,010	86.4	44,897,083	938,158,852	91.6	938,162,593	91.6	19.9	15.3	20,896
$40,000 or more	54,212,641	4,985,679,152	91.3	54,226,747	970,668,360	94.8	970,672,100	94.8	19.5	14.8	17,900
$30,000 or more	65,368,201	5,223,442,823	95.7	65,382,974	997,961,449	97.5	997,965,190	97.5	19.1	14.3	15,263
$25,000 or more	71,145,221	5,314,609,375	97.3	71,160,189	1,008,358,015	98.5	1,008,361,756	98.5	19.0	14.2	14,170
$20,000 or more	76,997,633	5,382,029,811	98.6	77,013,276	1,015,859,707	99.2	1,015,863,447	99.2	18.9	14.0	13,191
$15,000 or more	82,716,423	5,428,121,587	99.4	82,733,831	1,020,618,985	99.7	1,020,622,725	99.7	18.8	13.9	12,336
$10,000 or more	88,491,091	5,452,913,398	99.9	88,509,703	1,022,992,114	99.9	1,022,995,855	99.9	18.8	13.8	11,558
$5,000 or more	91,857,182	5,459,507,223	100.0	91,877,837	1,023,646,504	100.0	1,023,650,244	100.0	18.7	13.8	11,141
$1 or more	92,713,707	5,460,467,126	100.0	92,734,625	1,023,735,188	100.0	1,023,738,929	100.0	18.7	13.7	11,039
All returns	**92,713,707**	**5,460,467,126**	**100.0**	**92,740,926**	**1,023,916,399**	**100.0**	**1,023,920,139**	**100.0**	**18.8**	**13.8**	**11,041**

[1] Percentage not computed

[2] Less than 0.05 percent.

NOTE. Detail may not add to totals because of rounding

Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	All returns												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total	**138,394,754**	**8,030,842,945**	**891,911,609**	**49,123,555**	**1,229,237,288**	**86,583,732**	**607,464,186**	**106,667,402**	**5,579,145,443**	**92,740,926**	**1,023,916,399**	**92,740,927**	**1,023,920,139**
No adjusted gross income	2,675,594	-91,196,610	13,701,043	--	--	--	--	--	--	6,301	181,211	6,301	181,211
$1 under $5,000	11,633,370	31,004,475	30,992,750	345,274	5,468,507	11,287,057	51,670,150	880,556	964,764	856,788	88,684	856,788	88,684
$5,000 under $10,000	11,786,747	87,992,646	48,679,895	577,704	8,464,825	11,207,720	68,845,027	3,931,639	7,022,667	3,368,135	654,390	3,368,135	654,390
$10,000 under $15,000	11,711,680	146,357,710	64,289,348	1,029,474	15,044,424	10,682,206	71,356,540	6,631,856	27,161,757	5,775,871	2,373,130	5,775,871	2,373,130
$15,000 under $20,000	10,937,694	191,038,094	64,891,816	1,276,531	19,170,566	9,661,065	67,360,733	7,958,803	54,399,481	5,720,555	4,759,278	5,720,555	4,759,278
$20,000 under $25,000	9,912,261	222,862,623	62,615,725	1,536,608	21,996,060	8,375,654	59,646,185	8,830,458	84,959,346	5,853,087	7,501,691	5,853,087	7,501,691
$25,000 under $30,000	8,749,761	240,252,128	56,170,790	1,821,779	26,575,063	6,927,002	49,866,813	8,252,297	111,592,271	5,777,215	10,396,566	5,777,215	10,396,566
$30,000 under $40,000	14,151,824	492,158,138	92,969,386	4,363,179	65,217,946	9,784,646	72,889,698	13,733,631	265,074,215	11,156,227	27,293,090	11,156,227	27,293,090
$40,000 under $50,000	10,687,193	478,795,699	74,720,994	4,546,362	71,839,198	6,140,831	49,279,206	10,511,657	284,972,064	9,329,664	32,509,507	9,329,664	32,509,507
$50,000 under $75,000	18,854,917	1,158,386,347	147,796,871	10,818,922	196,833,604	8,032,741	71,896,979	18,708,802	743,787,518	17,817,863	94,443,384	17,817,863	94,443,395
$75,000 under $100,000	11,140,408	960,841,319	98,728,598	8,297,996	174,668,813	2,842,375	28,144,230	11,102,730	660,346,861	10,981,207	90,019,371	10,981,207	90,019,371
$100,000 under $200,000	12,088,423	1,606,322,715	112,610,244	10,655,930	299,344,593	1,431,428	14,455,415	12,067,176	1,181,233,605	12,041,382	209,381,101	12,041,382	209,381,101
$200,000 under $500,000	3,121,485	895,151,023	20,812,455	2,962,237	141,755,680	159,232	1,551,488	3,116,212	731,857,821	3,115,243	177,041,085	3,115,244	177,041,086
$500,000 under $1,000,000	589,306	399,608,986	1,852,070	552,797	49,648,717	36,460	352,573	588,218	348,055,997	588,046	94,213,951	588,046	94,213,951
$1,000,000 under $1,500,000	150,431	182,043,576	465,721	142,284	20,077,961	8,145	79,967	150,188	161,556,432	150,100	44,125,182	150,100	44,125,224
$1,500,000 under $2,000,000	64,007	110,211,789	195,296	61,068	11,936,247	2,928	28,971	63,844	98,151,682	63,863	26,720,695	63,863	26,721,295
$2,000,000 under $5,000,000	98,724	295,129,497	294,709	95,326	30,051,854	3,396	32,294	98,492	265,082,448	98,525	71,645,509	98,525	71,647,095
$5,000,000 under $10,000,000	24,975	171,407,703	75,710	24,348	17,653,722	627	5,894	24,914	153,833,151	24,924	39,556,521	24,924	39,556,521
$10,000,000 or more	15,956	452,475,087	48,187	15,735	53,489,509	219	2,022	15,931	399,093,365	15,929	91,012,054	15,929	91,013,554
Taxable returns, total	**92,740,927**	**7,439,473,161**	**559,830,041**	**42,402,082**	**1,073,985,426**	**50,322,469**	**353,069,111**	**92,713,707**	**5,460,467,126**	**92,740,926**	**1,023,916,399**	**92,740,927**	**1,023,920,139**
No adjusted gross income	6,301	-5,987,541	42,964	--	--	--	--	--	--	6,301	181,211	6,301	181,211
$1 under $5,000	856,788	2,257,448	* 8,306	6,158	13,637	850,630	1,283,821	856,524	959,903	856,788	88,684	856,788	88,684
$5,000 under $10,000	3,368,135	25,495,646	2,286,609	26,257	93,580	3,341,240	16,534,815	3,366,091	6,593,825	3,368,135	654,390	3,368,135	654,390
$10,000 under $15,000	5,775,871	72,134,324	15,998,745	275,037	2,087,265	5,500,835	29,271,515	5,774,668	24,791,811	5,775,871	2,373,130	5,775,871	2,373,130
$15,000 under $20,000	5,720,555	100,369,887	19,646,421	524,163	4,683,478	5,196,297	29,954,091	5,718,790	46,091,775	5,720,555	4,759,278	5,720,555	4,759,278
$20,000 under $25,000	5,853,087	131,704,447	23,466,929	825,885	8,590,341	5,027,202	32,232,243	5,852,412	67,420,436	5,853,087	7,501,691	5,853,087	7,501,691
$25,000 under $30,000	5,777,215	159,017,821	24,731,792	1,125,404	12,647,336	4,650,831	30,474,024	5,777,020	91,166,552	5,777,215	10,396,566	5,777,215	10,396,566
$30,000 under $40,000	11,156,227	389,433,125	55,205,533	3,266,548	41,131,313	7,885,680	55,335,913	11,155,559	237,763,671	11,156,227	27,293,090	11,156,227	27,293,090
$40,000 under $50,000	9,329,664	418,586,587	55,116,559	3,770,537	52,740,328	5,559,127	43,511,156	9,329,077	267,238,142	9,329,664	32,509,507	9,329,664	32,509,507
$50,000 under $75,000	17,817,863	1,097,416,752	131,415,083	9,976,544	169,793,195	7,838,066	69,935,207	17,814,551	726,336,744	17,817,863	94,443,384	17,817,863	94,443,395
$75,000 under $100,000	10,981,207	947,433,910	96,192,421	8,147,439	166,368,784	2,833,732	28,058,378	10,979,416	656,902,758	10,981,207	90,019,371	10,981,207	90,019,371
$100,000 under $200,000	12,041,382	1,600,506,040	112,013,383	10,610,868	294,319,827	1,429,475	14,438,857	12,036,255	1,180,048,005	12,041,382	209,381,101	12,041,382	209,381,101
$200,000 under $500,000	3,115,244	893,337,094	20,778,439	2,957,262	140,429,335	157,969	1,540,758	3,112,958	731,077,382	3,115,243	177,041,085	3,115,244	177,041,086
$500,000 under $1,000,000	588,046	398,745,041	1,849,018	551,845	49,119,305	36,196	350,288	587,466	347,608,241	588,046	94,213,951	588,046	94,213,951
$1,000,000 or more	353,341	1,209,022,580	1,077,839	338,135	131,967,702	15,190	148,045	352,918	1,076,467,881	353,341	273,059,961	353,341	273,063,689
Nontaxable returns, total	**45,653,826**	**591,369,784**	**332,081,568**	**6,721,474**	**155,251,862**	**36,261,263**	**254,395,075**	**13,953,695**	**118,678,317**	--	--	--	--

Footnotes at end of table

Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of married persons filing jointly												
				Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
	Number of returns	Adjusted gross income less deficit	Exemption amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
All returns, total	**53,294,930**	**5,346,722,611**	**523,672,914**	**28,934,283**	**859,077,233**	**23,562,712**	**252,563,763**	**45,342,924**	**3,846,569,779**	**40,551,555**	**733,816,730**	**40,551,555**	**733,818,888**
No adjusted gross income	797,892	-57,335,082	7,178,755	--	--	--	--	--	--	2,657	108,400	2,657	108,400
$1 under $5,000	742,980	1,955,777	6,524,767	87,501	1,935,985	655,479	7,178,480	--	--	* 261	* 1,245	* 261	* 1,245
$5,000 under $10,000	1,181,314	9,143,031	10,678,690	151,687	3,155,802	1,029,628	11,261,233	--	--	* 1,023	* 1,738	* 1,023	* 1,738
$10,000 under $15,000	1,731,597	21,925,615	16,632,662	225,476	4,749,533	1,506,121	16,472,937	--	--	* 1,058	* 864	* 1,058	* 864
$15,000 under $20,000	2,191,926	38,534,628	21,055,865	334,553	6,556,546	1,857,373	20,253,464	410,324	502,299	364,714	45,712	364,714	45,712
$20,000 under $25,000	2,289,462	51,545,637	22,371,633	437,856	8,187,282	1,851,606	19,997,783	1,483,758	5,507,557	991,346	392,681	991,346	392,681
$25,000 under $30,000	2,214,262	60,889,359	22,034,232	477,392	9,302,903	1,736,870	18,615,453	1,851,583	13,451,083	1,020,444	818,671	1,020,444	818,671
$30,000 under $40,000	4,430,880	155,191,042	45,098,225	1,252,491	24,251,855	3,178,389	33,841,039	4,140,722	54,854,282	2,630,643	3,686,985	2,630,643	3,686,985
$40,000 under $50,000	4,349,177	195,870,735	44,471,998	1,582,623	30,115,034	2,766,554	29,280,764	4,233,670	93,330,983	3,283,227	7,479,399	3,283,227	7,479,399
$50,000 under $75,000	11,115,519	692,357,267	112,540,080	5,889,835	114,977,669	5,225,684	55,315,855	11,018,519	410,590,825	10,194,158	41,652,349	10,194,158	41,652,349
$75,000 under $100,000	8,638,586	747,376,711	87,780,645	6,266,135	134,220,545	2,372,451	25,365,117	8,612,366	500,735,380	8,496,260	60,497,999	8,496,260	60,497,999
$100,000 under $200,000	10,173,366	1,355,011,527	104,692,369	8,952,560	254,540,643	1,220,805	13,221,724	10,158,455	983,421,817	10,133,172	167,569,483	10,133,172	167,569,483
$200,000 under $500,000	2,646,577	758,050,599	19,881,198	2,525,334	120,202,982	121,243	1,323,846	2,643,396	617,158,429	2,642,480	148,390,523	2,642,480	148,390,523
$500,000 under $1,000,000	498,556	337,863,545	1,731,785	470,132	41,745,837	28,381	305,529	497,769	294,283,651	497,749	80,207,974	497,749	80,207,974
$1,000,000 under $1,500,000	125,990	152,380,159	433,753	119,382	16,686,058	6,607	70,921	125,837	135,275,241	125,784	37,344,755	125,784	37,344,798
$1,500,000 under $2,000,000	53,188	91,588,423	181,070	50,855	9,777,242	2,333	25,435	53,083	81,666,991	53,101	22,380,918	53,101	22,381,517
$2,000,000 under $5,000,000	80,316	239,805,781	271,695	77,759	24,179,078	2,557	27,425	80,156	215,566,284	80,183	58,580,821	80,183	58,580,836
$5,000,000 under $10,000,000	20,494	140,503,966	69,648	20,018	14,093,993	477	5,093	20,454	126,461,209	20,467	32,721,487	20,467	32,721,487
$10,000,000 or more	12,849	354,063,890	43,843	12,694	40,398,245	155	1,665	12,833	313,763,746	12,828	71,934,726	12,828	71,936,227
Taxable returns, total	**40,551,555**	**5,089,627,143**	**372,955,451**	**25,420,399**	**767,871,666**	**15,128,499**	**162,672,990**	**40,536,165**	**3,791,078,320**	**40,551,555**	**733,816,730**	**40,551,555**	**733,818,888**
No adjusted gross income	2,657	-3,661,017	24,425	--	--	--	--	--	--	2,657	108,400	2,657	108,400
$1 under $5,000	* 261	* 674	* 2,868	* 252	* 5,798	* 9	* 98	--	--	* 261	* 1,245	* 261	* 1,245
$5,000 under $10,000	* 1,023	* 7,986	* 6,831	* 3	* 53	** 1,021	** 12,527	--	--	* 1,023	* 1,738	* 1,023	* 1,738
$10,000 under $15,000	* 1,058	* 15,417	* 6,979	* 1,057	* 16,225	**	**	--	--	* 1,058	* 864	* 1,058	* 864
$15,000 under $20,000	364,714	6,845,373	2,407,014	5,068	59,523	359,645	3,938,811	362,988	443,171	364,714	45,712	364,714	45,712
$20,000 under $25,000	991,346	22,358,142	6,657,226	113,477	1,533,754	877,870	9,911,442	991,322	4,259,154	991,346	392,681	991,346	392,681
$25,000 under $30,000	1,020,444	28,105,682	6,942,055	167,993	2,537,635	852,451	9,497,454	1,020,254	9,130,222	1,020,444	818,671	1,020,444	818,671
$30,000 under $40,000	2,630,643	92,800,174	19,689,466	644,378	10,435,061	1,986,265	21,542,712	2,630,634	41,133,846	2,630,643	3,686,985	2,630,643	3,686,985
$40,000 under $50,000	3,283,227	148,479,599	27,926,096	1,020,857	17,204,514	2,262,370	24,084,564	3,282,644	79,283,531	3,283,227	7,479,399	3,283,227	7,479,399
$50,000 under $75,000	10,194,158	638,174,621	97,234,520	5,150,120	93,085,136	5,044,038	53,443,540	10,193,258	394,425,558	10,194,158	41,652,349	10,194,158	41,652,349
$75,000 under $100,000	8,496,260	735,412,345	85,356,764	6,131,796	127,385,198	2,364,464	25,282,821	8,494,707	497,467,831	8,496,260	60,497,999	8,496,260	60,497,999
$100,000 under $200,000	10,133,172	1,350,083,999	104,121,852	8,913,557	250,515,866	1,219,615	13,209,490	10,129,810	982,461,174	10,133,172	167,569,483	10,133,172	167,569,483
$200,000 under $500,000	2,642,480	756,858,023	19,851,421	2,521,998	119,308,037	120,482	1,315,982	2,641,217	616,655,967	2,642,480	148,390,523	2,642,480	148,390,523
$500,000 under $1,000,000	497,749	337,309,069	1,729,335	469,526	41,403,762	28,223	303,871	497,271	293,989,648	497,749	80,207,974	497,749	80,207,974
$1,000,000 or more	292,364	976,837,056	998,597	280,317	104,381,104	12,046	129,677	292,060	871,828,217	292,363	222,962,707	292,363	222,964,865
Nontaxable returns, total	**12,743,375**	**257,095,468**	**150,717,464**	**3,513,883**	**91,205,566**	**8,434,213**	**89,890,773**	**4,806,759**	**55,491,458**	--	--	--	--

Footnotes at end of table

Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of married persons filing separately												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All returns, total	**2,524,941**	**150,783,348**	**11,003,300**	**1,193,892**	**24,245,099**	**1,253,567**	**6,520,241**	**2,175,262**	**117,259,953**	**2,059,183**	**23,979,148**	**2,059,183**	**23,979,148**
No adjusted gross income	69,397	-5,789,748	282,236	--	--	--	--	--	--	823	24,740	823	24,740
$1 under $5,000	122,444	307,962	454,002	16,380	161,882	105,664	545,634	* 1,645	* 1,031	* 1,645	* 104	* 1,645	* 104
$5,000 under $10,000	137,992	1,038,870	522,762	26,951	256,238	109,718	572,988	41,442	56,070	38,300	5,072	38,300	5,072
$10,000 under $15,000	185,194	2,330,277	702,889	38,801	322,853	146,393	757,146	161,256	646,514	147,965	59,944	147,965	59,944
$15,000 under $20,000	218,430	3,852,690	925,297	40,952	467,067	177,475	918,356	204,508	1,675,741	176,649	164,519	176,649	164,519
$20,000 under $25,000	223,598	5,014,578	958,747	70,356	885,051	153,243	796,328	215,799	2,641,385	196,270	279,800	196,270	279,800
$25,000 under $30,000	236,600	6,493,962	1,085,338	77,484	740,961	158,137	815,420	230,641	3,904,615	210,036	446,789	210,036	446,789
$30,000 under $40,000	413,915	14,407,766	1,923,867	204,516	2,355,908	206,399	1,078,986	408,128	9,127,348	387,149	1,098,036	387,149	1,098,036
$40,000 under $50,000	300,619	13,323,359	1,527,314	205,107	2,300,960	95,512	502,471	** 895,380	** 48,519,286	291,464	1,179,356	291,464	1,179,356
$50,000 under $75,000	** 570,605	** 44,010,761	** 2,551,811	** 469,933	** 8,651,799	75,551	397,016	**	**	356,576	2,550,517	356,576	2,550,517
$75,000 under $100,000	**	**	**	**	**	12,975	68,668	**	**	115,549	1,396,035	115,549	1,396,035
$100,000 under $200,000	**	**	**	**	**	9,803	53,306	**	**	91,049	2,265,445	91,049	2,265,445
$200,000 under $500,000	** 46,147	** 65,792869	** 69,036	** 43,414	** 8,102,380	1,851	9,485	**	**	29,281	1,879,869	29,281	1,879,869
$500,000 under $1,000,000	**	**	**	**	**	609	3,141	7,422	4,303,732	7,386	1,131,753	7,386	1,131,753
$1,000,000 under $1,500,000	**	**	**	**	**	94	513	2,481	2,672,909	2,474	715,953	2,474	715,953
$1,500,000 under $2,000,000	**	**	**	**	**	44	233	1,329	1,965,500	1,322	529,855	1,322	529,855
$2,000,000 under $5,000,000	**	**	**	**	**	84	455	3,608	10,456,476	3,620	3,028,757	3,620	3,028,757
$5,000,000 under $10,000,000	**	**	**	**	**	10	54	822	5,021,016	822	1,263,434	822	1,263,434
$10,000,000 or more	**	**	**	**	**	8	41	800	26,268,328	803	5,959,169	803	5,959,169
Taxable returns, total	**2,059,183**	**149,883,805**	**8,453,347**	**1,064,528**	**21,275,048**	**986,863**	**5,138,962**	**2,058,202**	**116,049,621**	**2,059,183**	**23,979,148**	**2,059,183**	**23,979,148**
No adjusted gross income	823	-983,971	2,863	--	--	--	--	--	--	823	24,740	823	24,740
$1 under $5,000	* 1,645	* 8,018	5,427	1,645	1,560	--	--	* 1,645	* 1,031	* 1,645	* 104	* 1,645	* 104
$5,000 under $10,000	38,300	341,781	118,364	6,748	11,923	** 161,172	** 833,608	38,300	52,235	38,300	5,072	38,300	5,072
$10,000 under $15,000	147,965	1,868,464	499,891	17,709	86,737	**	**	147,965	607,487	147,965	59,944	147,965	59,944
$15,000 under $20,000	176,649	3,107,409	620,465	26,587	165,093	150,062	777,806	176,649	1,544,045	176,649	164,519	176,649	164,519
$20,000 under $25,000	196,270	4,409,343	737,364	56,594	440,100	139,675	726,457	196,270	2,505,422	196,270	279,800	196,270	279,800
$25,000 under $30,000	210,036	5,767,693	835,741	65,201	499,286	143,855	742,471	210,036	3,690,195	210,036	446,789	210,036	446,789
$30,000 under $40,000	387,149	13,479,708	1,651,317	184,912	1,921,096	199,237	1,042,249	387,140	8,865,353	387,149	1,098,036	387,149	1,098,036
$40,000 under $50,000	291,464	12,910,324	1,425,046	198,167	2,137,436	93,297	491,022	** 883,812	** 48,189,184	291,464	1,179,356	291,464	1,179,356
$50,000 under $75,000	** 563,174	** 43,470,989	** 2,488,491	** 463,853	** 8,133,239	74,613	392,183	**	**	356,576	2,550,517	356,576	2,550,517
$75,000 under $100,000	**	**	**	**	**	12,862	68,089	**	**	115,549	1,396,035	115,549	1,396,035
$100,000 under $200,000	**	**	**	**	**	9,526	51,851	**	**	91,049	2,265,445	91,049	2,265,445
$200,000 under $500,000	**45,708	** 65,504,046	** 68,377	** 43,111	** 7,878,579	1,744	8,931	**	**	29,281	1,879,869	29,281	1,879,869
$500,000 under $1,000,000	**	**	**	**	**	590	3,046	7,377	4,275,119	7,386	1,131,753	7,386	1,131,753
$1,000,000 or more	**	**	**	**	**	231	1,250	9,007	46,319,550	9,041	11,497,168	9,041	11,497,168
Nontaxable returns, total	**465,758**	**899,543**	**2,549,953**	**129,364**	**2,970,051**	**266,704**	**1,381,279**	**117,060**	**1,210,331**	--	--	--	--

Footnotes at end of table

Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of head of households												
				Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
	Number of returns	Adjusted gross income less deficit	Exemption amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
All returns, total	**20,669,369**	**630,183,874**	**174,175,546**	**4,497,298**	**84,884,598**	**16,021,055**	**121,153,196**	**13,521,172**	**301,046,295**	**6,747,004**	**36,833,734**	**6,747,004**	**36,833,734**
No adjusted gross income	151,015	-2,749,342	1,475,549	--	--	--	--	--	--	**	**	**	**
$1 under $5,000	1,037,708	3,114,077	8,476,235	28,678	527,964	1,009,030	7,608,129	--	--	--	--	--	--
$5,000 under $10,000	2,091,056	16,153,937	17,013,589	56,495	831,587	2,034,561	15,383,062	--	--	--	--	--	--
$10,000 under $15,000	2,867,684	35,833,917	24,951,351	91,416	1,380,349	2,776,268	20,998,738	250,029	188,371	42,572	5,076	42,572	5,076
$15,000 under $20,000	2,720,570	47,468,632	23,268,187	160,600	2,256,145	2,559,970	19,359,609	1,799,706	5,132,309	162,701	57,389	162,701	57,389
$20,000 under $25,000	2,596,441	58,392,521	22,574,518	267,871	3,645,923	2,328,570	17,608,800	2,423,341	15,307,325	239,587	172,749	239,587	172,749
$25,000 under $30,000	2,089,934	57,200,967	18,270,985	350,262	5,048,681	1,739,672	13,147,907	2,020,134	21,322,778	** 522,898	** 451,915	** 522,898	** 451,915
$30,000 under $40,000	2,692,596	92,929,533	23,127,623	806,356	12,042,007	1,886,240	14,261,637	2,636,345	43,858,422	1,647,766	2,347,367	1,647,766	2,347,367
$40,000 under $50,000	1,646,100	73,400,533	13,568,803	731,761	11,591,414	914,338	6,923,719	1,623,817	41,410,031	1,427,293	3,501,749	1,427,293	3,501,749
$50,000 under $75,000	1,837,265	110,004,615	14,530,452	1,193,506	21,943,691	643,759	4,881,242	1,831,212	68,689,261	1,772,654	8,016,263	1,772,654	8,016,263
$75,000 under $100,000	516,754	43,981,405	3,984,531	420,738	9,696,325	96,016	731,164	515,749	29,580,497	511,039	4,742,831	511,039	4,742,831
$100,000 under $200,000	333,837	42,953,562	2,586,315	308,931	9,245,066	24,906	189,552	332,801	31,039,473	332,605	6,289,577	332,605	6,289,577
$200,000 under $500,000	68,452	19,605,540	299,349	62,447	3,229,739	6,004	46,546	68,179	16,047,776	68,062	4,071,604	68,062	4,071,604
$500,000 under $1,000,000	13,175	8,764,070	31,051	11,848	1,165,363	1,327	10,088	13,106	7,606,207	13,092	2,067,355	13,092	2,067,355
$1,000,000 under $1,500,000	2,741	3,342,200	6,578	2,596	378,841	145	1,090	2,729	2,977,092	2,721	788,344	2,721	788,344
$1,500,000 under $2,000,000	1,257	2,150,660	3,248	1,162	218,792	95	746	1,249	1,936,993	1,244	535,458	1,244	535,458
$2,000,000 under $5,000,000	1,999	5,941,105	5,147	1,866	607,838	133	1,015	1,992	5,328,452	1,991	1,342,165	1,991	1,342,165
$5,000,000 under $10,000,000	451	3,076,771	1,166	436	344,023	15	115	450	2,733,033	449	687,786	449	687,786
$10,000,000 or more	333	8,619,170	870	328	730,850	* 5	* 39	332	7,888,273	331	1,756,106	331	1,756,106
Taxable returns, total	**6,747,004**	**388,562,355**	**49,529,270**	**3,056,607**	**59,900,147**	**3,689,718**	**27,998,801**	**6,745,382**	**251,366,047**	**6,747,004**	**36,833,734**	**6,747,004**	**36,833,734**
No adjusted gross income	**	**	**	--	--	--	--	--	--	**	**	**	**
$1 under $5,000	--	--	--	--	--	--	--	--	--	--	--	--	--
$5,000 under $10,000	--	--	--	--	--	--	--	--	--	--	--	--	--
$10,000 under $15,000	42,572	580,720	193,814	650	3,695	41,922	328,420	42,572	54,790	42,572	5,076	42,572	5,076
$15,000 under $20,000	162,701	2,872,812	993,018	9,256	91,210	153,445	1,184,705	162,701	603,878	162,701	57,389	162,701	57,389
$20,000 under $25,000	239,587	5,412,070	1,567,130	24,893	269,448	214,693	1,642,410	239,587	1,933,082	239,587	172,749	239,587	172,749
$25,000 under $30,000	** 522,898	** 14,380,917	** 3,432,620	69,874	820,003	452,345	3,424,181	522,219	6,837,440	** 522,898	** 451,915	** 522,898	** 451,915
$30,000 under $40,000	1,647,766	57,712,815	11,852,248	427,301	5,344,721	1,220,464	9,235,799	1,647,766	31,280,047	1,647,766	2,347,367	1,647,766	2,347,367
$40,000 under $50,000	1,427,293	63,814,507	10,951,044	583,688	8,242,729	843,605	6,390,833	1,427,293	38,229,901	1,427,293	3,501,749	1,427,293	3,501,749
$50,000 under $75,000	1,772,654	106,292,438	13,709,036	1,137,679	20,079,089	634,976	4,814,927	1,772,615	67,689,489	1,772,654	8,016,263	1,772,654	8,016,263
$75,000 under $100,000	511,039	43,505,732	3,909,467	415,096	9,403,859	95,944	730,620	511,038	29,461,819	511,039	4,742,831	511,039	4,742,831
$100,000 under $200,000	332,605	42,778,380	2,575,484	307,856	9,079,791	24,750	188,381	331,896	30,945,188	332,605	6,289,577	332,605	6,289,577
$200,000 under $500,000	68,062	19,489,885	297,682	62,169	3,176,504	5,893	45,712	67,924	15,979,251	68,062	4,071,604	68,062	4,071,604
$500,000 under $1,000,000	13,092	8,706,474	30,834	11,795	1,142,997	1,297	9,860	13,050	7,569,536	13,092	2,067,355	13,092	2,067,355
$1,000,000 or more	6,737	23,015,605	16,892	6,350	2,246,101	386	2,952	6,722	20,781,624	6,736	5,109,859	6,736	5,109,859
Nontaxable returns, total	**13,922,364**	**241,621,519**	**124,646,276**	**1,440,691**	**24,984,451**	**12,331,336**	**93,154,395**	**6,775,791**	**49,680,248**	--	--	--	--

Footnotes at end of table

Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of surviving spouses												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)
All returns, total	**74,771**	**3,462,218**	**630,238**	**22,174**	**523,648**	**50,801**	**528,116**	**46,557**	**2,179,965**	**32,077**	**336,150**	**32,077**	**336,150**
No adjusted gross income	1,796	-81,915	13,702	--	--	--	--	--	--	**	**	**	**
$1 under $5,000	* 7,598	* 14,848	* 69,811	* 1,660	* 22,209	* 5,939	* 61,168	--	--	--	--	--	--
$5,000 under $10,000	* 4,589	* 37,692	* 37,570	* 1,287	* 39,339	* 3,302	* 35,879	--	--	--	--	--	--
$10,000 under $15,000	* 7,593	* 94,935	* 57,660	* 650	* 8,135	* 6,943	* 72,523	--	--	--	--	--	--
$15,000 under $20,000	8,803	151,176	80,419	2,302	48,988	6,501	66,963	* 2,279	* 1,206	--	--	--	--
$20,000 under $25,000	* 3,664	* 85,267	* 24,184	--	--	* 3,664	* 37,741	* 3,664	* 23,343	--	--	--	--
$25,000 under $30,000	* 5,656	* 161,205	* 40,631	* 1,007	* 13,393	* 4,649	* 47,884	* 5,656	* 59,297	** 2,001	** 922	** 2,001	** 922
$30,000 under $40,000	* 8,301	* 284,457	* 72,208	* 1,018	* 14,957	* 7,283	* 77,010	* 8,301	* 120,282	* 4,672	* 6,190	* 4,672	* 6,190
$40,000 under $50,000	* 4,973	* 232,072	* 48,892	* 1,352	* 23,736	* 3,621	* 37,294	** 26,431	** 1,512,338	* 3,621	* 7,819	* 3,621	* 7,819
$50,000 under $75,000	** 20,072	** 1,515,102	** 176,077	** 11,178	** 217,224	7,249	74,662	**	**	11,372	41,399	11,372	41,399
$75,000 under $100,000	**	**	**	**	**	* 1,644	* 16,936	**	**	* 6,285	* 48,462	* 6,285	* 48,462
$100,000 under $200,000	**	**	**	**	**	--	--	**	**	* 2,407	* 30,253	* 2,407	* 30,253
$200,000 under $500,000	** 1,725	** 967,377	** 9,085	** 1,719	** 135,667	--	--	**	**	1,494	86,282	1,494	86,282
$500,000 under $1,000,000	**	**	**	**	**	--	--	* 137	* 84,168	* 137	* 24,774	* 137	* 24,774
$1,000,000 under $1,500,000	**	**	**	**	**	* 3	* 25	* 19	* 13,991	* 19	* 4,279	* 19	* 4,279
$1,500,000 under $2,000,000	**	**	**	**	**	--	--	* 11	* 16,006	* 11	* 5,369	* 11	* 5,369
$2,000,000 under $5,000,000	**	**	**	**	**	* 3	* 32	42	115,525	42	32,231	42	32,231
$5,000,000 under $10,000,000	**	**	**	**	**	--	--	* 8	* 51,524	* 8	* 12,466	* 8	* 12,466
$10,000,000 or more	**	**	**	**	**	--	--	* 8	* 182,284	* 8	* 35,704	* 8	* 35,704
Taxable returns, total	**32,077**	**2,866,124**	**262,862**	**14,528**	**370,334**	**17,548**	**182,735**	**32,076**	**2,055,220**	**32,077**	**336,150**	**32,077**	**336,150**
No adjusted gross income	**	**	**	--	--	--	--	--	--	**	**	**	**
$1 under $5,000	--	--	--	--	--	--	--	--	--	--	--	--	--
$5,000 under $10,000	--	--	--	--	--	--	--	--	--	--	--	--	--
$10,000 under $15,000	--	--	--	--	--	--	--	--	--	--	--	--	--
$15,000 under $20,000	--	--	--	--	--	--	--	--	--	--	--	--	--
$20,000 under $25,000	--	--	--	--	--	--	--	--	--	--	--	--	--
$25,000 under $30,000	** 2,001	** 51,631	** 13,204	--	--	* 2,000	* 20,596	* 2,000	* 22,858	** 2,001	** 922	** 2,001	** 922
$30,000 under $40,000	* 4,672	* 167,203	* 30,835	* 1,018	* 14,957	* 3,654	* 39,628	* 4,672	* 81,783	* 4,672	* 6,190	* 4,672	* 6,190
$40,000 under $50,000	* 3,621	* 170,749	* 33,780	* 625	* 8,660	* 2,996	* 30,856	** 25,179	** 1,487,081	* 3,621	* 7,819	* 3,621	* 7,819
$50,000 under $75,000	** 20,064	** 1,514,529	** 175,984	** 11,171	** 216,237	7,249	74,662	**	**	11,372	41,399	11,372	41,399
$75,000 under $100,000	**	**	**	**	**	* 1,644	* 16,936	**	**	* 6,285	* 48,462	* 6,285	* 48,462
$100,000 under $200,000	**	**	**	**	**	--	--	**	**	* 2,407	* 30,253	* 2,407	* 30,253
$200,000 under $500,000	** 1,720	** 962,012	** 9,058	** 1,714	** 130,481	--	--	**	**	1,494	86,282	1,494	86,282
$500,000 under $1,000,000	**	**	**	**	**	--	--	* 137	* 84,168	* 137	* 24,774	* 137	* 24,774
$1,000,000 or more	**	**	**	**	**	* 6	* 57	88	379,330	88	90,049	88	90,049
Nontaxable returns, total	**42,694**	**596,094**	**367,376**	**7,646**	**153,314**	**33,253**	**345,381**	**14,482**	**124,745**	--	--	--	--

Footnotes at end of table

Table 1.2--All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of single persons												
				Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
	Number of returns	Adjusted gross income less deficit	Exemption amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)
All returns, total	**61,830,743**	**1,899,690,895**	**182,429,611**	**14,475,908**	**260,506,710**	**45,695,598**	**226,698,869**	**45,581,486**	**1,312,089,451**	**43,351,107**	**228,950,637**	**43,351,108**	**228,952,219**
No adjusted gross income	1,655,493	-25,240,524	4,750,800	--	--	--	--	--	--	2,141	44,807	2,141	44,807
$1 under $5,000	9,722,639	25,611,811	15,467,935	211,055	2,820,466	9,510,946	36,276,739	878,911	963,733	854,883	87,335	854,883	87,335
$5,000 under $10,000	8,371,796	61,619,117	20,427,284	341,284	4,181,858	8,030,512	41,591,865	3,890,197	6,966,597	3,328,812	647,580	3,328,812	647,580
$10,000 under $15,000	6,919,612	86,172,965	21,944,785	673,131	8,583,552	6,246,482	33,055,196	6,220,571	26,326,872	5,584,277	2,307,245	5,584,277	2,307,245
$15,000 under $20,000	5,797,965	101,030,969	19,562,048	738,125	9,841,820	5,059,745	26,762,342	5,541,985	47,087,926	5,016,491	4,491,658	5,016,491	4,491,658
$20,000 under $25,000	4,799,096	107,824,620	16,686,644	760,526	9,277,804	4,038,571	21,205,533	4,703,895	61,479,735	4,425,884	6,656,461	4,425,884	6,656,461
$25,000 under $30,000	4,203,307	115,506,634	14,739,604	915,633	11,469,125	3,287,674	17,240,149	4,144,282	72,854,498	4,022,516	8,681,533	4,022,516	8,681,533
$30,000 under $40,000	6,606,133	229,345,340	22,747,463	2,098,798	26,553,220	4,506,335	23,631,026	6,540,135	157,113,880	6,485,998	20,154,512	6,485,998	20,154,512
$40,000 under $50,000	4,386,324	195,969,000	15,103,987	2,025,518	27,808,055	2,360,805	12,534,958	4,349,990	141,105,104	4,324,060	20,341,183	4,324,060	20,341,183
$50,000 under $75,000	5,528,047	333,381,038	18,903,770	3,445,551	55,508,761	2,080,499	11,228,204	5,488,322	248,547,645	5,483,103	42,182,856	5,483,103	42,182,867
$75,000 under $100,000	1,862,928	159,011,697	6,389,181	1,503,627	28,589,601	359,289	1,962,346	1,852,632	122,379,834	1,852,073	23,334,044	1,852,073	23,334,044
$100,000 under $200,000	1,486,770	195,946,694	5,000,482	1,310,856	33,255,686	175,914	990,834	1,481,951	156,880,101	1,482,149	33,226,344	1,482,149	33,226,344
$200,000 under $500,000	375,371	108,550,622	578,433	345,237	16,819,404	30,134	171,611	373,707	91,249,086	373,926	22,612,807	373,927	22,612,808
$500,000 under $1,000,000	69,977	47,848,672	77,077	63,832	6,002,428	6,143	33,815	69,783	41,778,239	69,682	10,782,095	69,682	10,782,095
$1,000,000 under $1,500,000	19,184	23,275,322	21,165	17,888	2,648,652	1,295	7,418	19,122	20,617,198	19,101	5,271,850	19,101	5,271,850
$1,500,000 under $2,000,000	8,216	14,162,258	9,072	7,760	1,611,666	456	2,557	8,173	12,566,192	8,185	3,269,094	8,185	3,269,094
$2,000,000 under $5,000,000	12,729	37,814,090	14,089	12,109	4,228,028	620	3,367	12,693	33,615,710	12,688	8,661,535	12,688	8,663,106
$5,000,000 under $10,000,000	3,191	21,951,005	3,539	3,066	2,387,168	125	633	3,180	19,566,368	3,178	4,871,348	3,178	4,871,348
$10,000,000 or more	1,963	59,909,565	2,252	1,912	8,919,419	51	277	1,958	50,990,733	1,959	11,326,348	1,959	11,326,348
Taxable returns, total	**43,351,108**	**1,808,533,735**	**128,629,112**	**12,846,019**	**224,568,230**	**30,499,841**	**157,075,623**	**43,341,883**	**1,299,917,917**	**43,351,107**	**228,950,637**	**43,351,108**	**228,952,219**
No adjusted gross income	2,141	-1,212,174	7,699	--	--	--	--	--	--	2,141	44,807	2,141	44,807
$1 under $5,000	854,883	2,248,756	10	4,261	6,280	850,621	1,283,723	854,880	958,872	854,883	87,335	854,883	87,335
$5,000 under $10,000	3,328,812	25,145,880	2,161,414	19,506	81,603	3,309,305	16,363,039	3,327,791	6,541,590	3,328,812	647,580	3,328,812	647,580
$10,000 under $15,000	5,584,277	69,669,723	15,298,061	255,622	1,980,608	5,328,655	28,268,735	5,584,131	24,129,534	5,584,277	2,307,245	5,584,277	2,307,245
$15,000 under $20,000	5,016,491	87,544,295	15,625,924	483,251	4,367,653	4,533,144	24,052,768	5,016,453	43,500,681	5,016,491	4,491,658	5,016,491	4,491,658
$20,000 under $25,000	4,425,884	99,524,892	14,505,209	630,921	6,347,039	3,794,963	19,951,934	4,425,233	58,722,778	4,425,884	6,656,461	4,425,884	6,656,461
$25,000 under $30,000	4,022,516	110,581,521	13,516,147	822,336	8,790,412	3,200,180	16,789,321	4,022,512	71,485,837	4,022,516	8,681,533	4,022,516	8,681,533
$30,000 under $40,000	6,485,998	225,273,225	21,981,667	2,008,938	23,415,478	4,476,060	23,475,525	6,485,348	156,402,642	6,485,998	20,154,512	6,485,998	20,154,512
$40,000 under $50,000	4,324,060	193,211,408	14,780,593	1,967,200	25,146,988	2,356,860	12,513,881	4,324,056	140,770,438	4,324,060	20,341,183	4,324,060	20,341,183
$50,000 under $75,000	5,483,103	330,679,883	18,707,781	3,403,916	52,490,815	2,077,191	11,209,896	5,480,770	248,316,324	5,483,103	42,182,856	5,483,103	42,182,867
$75,000 under $100,000	1,852,073	158,070,757	6,352,955	1,493,243	27,432,644	358,818	1,959,912	1,851,837	122,333,376	1,852,073	23,334,044	1,852,073	23,334,044
$100,000 under $200,000	1,482,149	195,373,028	4,988,553	1,306,565	32,659,933	175,585	989,135	1,481,106	156,813,472	1,482,149	33,226,344	1,482,149	33,226,344
$200,000 under $500,000	373,927	108,133,342	576,363	344,077	16,491,678	29,850	170,133	373,095	91,093,445	373,926	22,612,807	373,927	22,612,808
$500,000 under $1,000,000	69,682	47,646,135	76,785	63,593	5,863,098	6,086	33,510	69,631	41,689,769	69,682	10,782,095	69,682	10,782,095
$1,000,000 or more	45,112	156,643,067	49,951	42,591	19,494,001	2,521	14,109	45,040	137,159,159	45,111	33,400,175	45,111	33,401,746
Nontaxable returns, total	**18,479,635**	**91,157,159**	**53,800,499**	**1,629,889**	**35,938,480**	**15,195,757**	**69,623,246**	**2,239,604**	**12,171,534**	--	--	--	--

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to prevent disclosure of taxpayer information.

NOTE: Detail may not add to totals because of rounding.

Table 1.3 -- All Returns: Sources of Income, Adjustments, Deductions, Credits, and Tax Items, by Marital Status

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Item	All returns		Joint returns of married persons		Separate returns of married persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income less deficit	138,394,754	8,030,842,945	53,294,930	5,346,722,611	2,524,941	150,783,348
Salaries and wages	116,379,376	5,469,370,119	45,260,173	3,507,347,497	2,115,689	85,874,944
Taxable interest	62,401,235	222,707,445	34,613,103	147,191,414	925,084	6,170,536
Tax-exempt interest	6,038,822	72,970,971	3,614,189	47,865,479	87,984	2,183,605
Ordinary dividends	31,619,775	199,359,146	18,338,546	132,033,394	402,629	5,785,705
Qualified dividends	26,584,184	137,195,800	15,463,746	92,321,802	327,156	3,895,018
State income tax refunds	22,964,214	24,206,006	14,297,903	17,160,528	474,182	510,868
Alimony received	441,514	8,120,381	19,366	242,077	9,422	179,728
Business or profession:						
Net income	16,209,687	330,265,386	9,184,565	230,790,856	260,910	9,894,947
Net loss	5,446,722	48,738,126	3,418,382	31,321,639	102,622	1,597,723
Sales of capital assets:						
Net gain in AGI	18,026,214	798,214,029	10,312,940	592,832,283	225,465	28,949,451
Net loss in AGI	8,641,990	18,751,674	5,079,847	11,375,620	135,448	168,855
Sales of property other than capital assets, net gain less loss	1,778,803	4,201,647	1,305,308	3,892,162	35,789	103,992
Taxable IRA distributions	9,965,065	124,705,552	5,968,846	86,008,142	105,921	1,339,932
Taxable pensions and annuities	24,098,220	450,454,465	13,561,426	293,482,565	348,593	6,498,750
Rent and royalty:						
Net income	5,787,074	79,570,209	3,935,757	56,976,161	87,911	1,724,572
Net loss	5,353,497	59,174,928	3,469,206	39,239,795	55,352	799,075
Farm rental net income less loss	588,698	2,997,397	371,045	1,848,782	5,590	45,163
Partnership and S Corporation net income less loss	7,619,301	425,477,314	5,497,356	351,601,958	137,528	10,552,930
Estate and trust net income less loss	595,604	17,183,423	300,771	8,478,848	6,260	1,086,812
Farm net income less loss	1,958,273	-15,331,319	1,534,960	-12,633,882	19,057	-271,966
Unemployment compensation	7,378,438	26,523,665	3,405,011	12,975,118	116,182	466,720
Taxable social security benefits	13,749,185	144,403,839	8,748,038	104,335,086	195,665	1,889,192
Other income less loss	6,176,952	29,938,461	3,652,753	20,232,130	103,781	703,658
Total statutory adjustments	33,980,524	113,845,357	19,037,651	80,007,187	404,498	1,724,458
Medical savings account deduction	18,668	35,106	12,968	27,121	79	117
Certain business expenses of reservist, performing artists, etc.	120,468	368,258	64,691	163,214	2,650	762
Health savings account deduction	358,968	868,560	271,394	737,973	1,695	4,946
Moving expenses adjustment	1,082,576	3,159,251	546,414	1,923,668	23,067	82,806
Deduction for self-employment tax	17,074,708	23,925,376	10,066,265	17,115,152	266,211	461,088
Payments to a Keogh plan	1,228,299	22,011,551	945,356	17,645,484	14,499	226,315
Self-employed health insurance deduction	3,804,190	20,302,533	2,571,735	16,139,023	50,353	222,520
Penalty on early withdrawal of savings	1,164,171	429,850	663,026	252,001	15,847	4,394
Alimony paid	585,286	9,115,764	238,277	3,638,433	28,862	485,050
IRA payments	3,230,531	12,533,506	2,056,753	9,289,852	31,910	88,895
Student loan interest deduction	8,540,900	6,156,865	4,450,990	3,463,486	–	–
Jury duty pay deduction	57,259	51,814	30,793	16,553	1,002	36
Domestic production activities deduction	421,128	3,303,121	339,122	2,732,627	6,620	113,284
Educator expenses deduction	3,166,931	805,568	2,127,200	559,872	49,061	11,929
Tuition and fees deduction	4,015,828	9,620,615	2,329,108	5,526,950	–	–
Total itemized deductions	49,123,555	1,229,237,288	28,934,283	859,077,233	1,193,892	24,245,099
Medical and dental expenses deduction	10,208,792	70,704,272	5,527,496	37,045,862	198,542	881,003
Taxes paid deduction	48,660,923	432,774,100	28,856,871	318,838,613	1,166,798	8,335,769
Interest paid deduction	40,284,927	470,474,844	25,955,455	337,640,907	853,228	8,817,656
Contributions deduction	41,437,749	186,646,644	25,878,929	137,208,329	859,873	4,613,504
Casualty or theft loss deduction	206,287	5,135,555	100,983	3,272,748	6,816	99,488
Total miscellaneous deductions	13,484,217	98,654,116	6,995,492	54,237,813	311,157	2,581,517
Basic standard deduction	86,583,732	590,487,763	23,562,712	242,416,352	1,253,567	6,419,326
Additional standard deduction	11,261,327	16,976,422	5,855,905	10,147,411	98,875	100,915
Taxable income	106,667,402	5,579,145,443	45,342,924	3,846,569,779	2,175,262	117,259,953
Alternative minimum tax	3,966,540	21,564,586	3,010,678	17,061,859	151,271	706,398
Total tax credits [1]	46,091,502	58,938,971	25,465,181	40,975,646	584,597	1,267,902
Foreign tax credit	6,418,317	10,958,470	3,992,998	7,829,202	92,904	778,011
Child care credit	6,466,792	3,486,637	3,977,591	2,071,742	32,115	19,689
Credit for the elderly or disabled	98,261	14,571	16,385	1,668	–	–
Education credit	7,725,138	7,022,420	3,903,724	4,087,569	–	–
Retirement savings contribution credit	5,192,133	893,957	2,334,532	497,438	73,346	8,829
Residential energy credit	4,344,189	1,000,149	3,082,883	729,471	86,030	18,796
Child tax credit	25,741,511	31,741,551	16,104,301	23,331,116	358,829	393,189
Alternative motor vehicle credit	25,300	50,035	19,847	36,767	646	1,094
Earned income credit used to offset income tax before credits	2,960,172	797,162	245,594	64,712	–	–
Minimum tax credit	359,098	1,032,247	269,125	838,863	5,966	18,008
General business credit	386,681	1,302,464	273,886	984,607	1,793	23,780
Empowerment zone and community renewal employment credit	32,209	120,603	26,750	97,609	265	2,771
Income tax after credits	92,740,926	1,023,916,399	40,551,555	733,816,730	2,059,183	23,979,148
Total income tax	92,740,927	1,023,920,139	40,551,555	733,818,888	2,059,183	23,979,148
Total tax liability	96,815,936	1,071,872,816	42,372,240	768,729,259	2,141,016	25,018,384
Total tax payments	133,577,700	1,189,243,053	52,413,783	825,402,458	2,376,640	24,770,151
Income tax withheld	120,500,889	843,094,979	47,622,491	561,196,968	2,148,004	12,755,664
Estimated tax payments	11,128,072	252,998,613	6,885,493	193,342,696	178,177	7,873,608
Overpayment refunded	107,001,071	250,941,390	38,116,947	125,112,075	1,551,597	2,838,964
Tax due at time of filing	26,694,105	126,289,889	13,012,568	87,707,242	834,291	4,875,842

Footnotes at end of table.

Table 1.3 -- All Returns: Sources of Income, Adjustments, Deductions, Credits, and Tax Items, by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Item	Returns of heads of households		Returns of surviving spouses		Returns of single persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income less deficit	20,669,369	630,183,874	74,771	3,462,218	61,830,743	1,899,690,895
Salaries and wages	19,131,537	544,471,865	60,931	2,229,537	49,811,047	1,329,446,276
Taxable interest	3,711,302	4,884,069	43,839	139,229	23,107,907	64,322,196
Tax-exempt interest	154,579	1,146,486	2,519	45,886	2,179,551	21,729,516
Ordinary dividends	1,186,739	4,166,792	19,107	75,444	11,672,753	57,297,811
Qualified dividends	941,719	2,828,531	14,259	34,478	9,837,303	38,115,970
State income tax refunds	2,112,321	1,780,580	9,654	9,331	6,070,155	4,744,699
Alimony received	183,014	3,505,847	–	–	229,712	4,192,730
Business or profession:						
Net income	2,117,182	26,743,751	7,277	83,127	4,639,753	62,752,706
Net loss	485,245	3,980,995	1,936	3,950	1,438,537	11,833,819
Sales of capital assets:						
Net gain in AGI	640,984	18,732,181	12,673	480,686	6,834,151	157,219,429
Net loss in AGI	326,329	689,551	4,422	5,654	3,095,945	6,511,995
Sales of property other than capital assets, net gain less loss	44,316	-186,570	1,544	1,008	391,846	391,055
Taxable IRA distributions	400,074	4,045,758	6,602	74,513	3,483,622	33,237,208
Taxable pensions and annuities	1,394,148	16,712,822	22,338	364,089	8,771,716	133,396,239
Rent and royalty:						
Net income	210,741	2,227,998	4,275	32,797	1,548,390	18,608,681
Net loss	392,280	4,316,342	5,831	102,715	1,430,828	14,717,001
Farm rental net income less loss	11,311	33,930	–	–	200,752	1,069,521
Partnership and S Corporation net income less loss	272,146	11,469,070	2,187	7,923	1,710,084	51,845,431
Estate and trust net income less loss	23,519	718,099	207	32,137	264,846	6,867,527
Farm net income less loss	44,847	-336,525	1,574	-8,717	357,835	-2,080,228
Unemployment compensation	1,407,054	4,789,181	2,433	4,859	2,447,757	8,287,786
Taxable social security benefits	316,573	2,222,778	8,791	58,867	4,480,118	35,897,916
Other income less loss	495,716	1,051,320	5,745	54,798	1,918,957	7,896,556
Total statutory adjustments	3,848,555	7,421,055	16,603	27,880	10,673,217	24,664,777
Medical savings account deduction	* 40	* 130	–	–	* 5,581	* 7,737
Certain business expenses of reservist, performing artists, etc.	10,221	21,557	–	–	42,907	182,724
Health savings account deduction	11,121	18,339	–	–	74,758	107,301
Moving expenses adjustment	83,508	191,074	1,623	3,861	427,963	957,842
Deduction for self-employment tax	2,108,640	1,920,952	7,818	4,885	4,625,774	4,423,298
Payments to a Keogh plan	47,499	686,449	49	2,167	220,896	3,451,136
Self-employed health insurance deduction	196,145	772,781	1,511	2,847	984,447	3,165,362
Penalty on early withdrawal of savings	82,747	29,878	556	9	401,995	143,567
Alimony paid	82,324	1,236,258	–	–	235,823	3,756,022
IRA payments	226,181	509,618	394	1,931	915,292	2,643,211
Student loan interest deduction	792,930	484,744	2,017	1,251	3,294,963	2,207,385
Jury duty pay deduction	* 6,959	* 20,378	–	–	* 18,504	* 14,846
Domestic production activities deduction	11,640	62,954	201	1,324	63,544	392,931
Educator expenses deduction	253,986	60,996	2,243	561	734,441	172,211
Tuition and fees deduction	556,511	1,290,162	2,886	9,042	1,127,324	2,794,461
Total itemized deductions	4,497,298	84,884,598	22,174	523,648	14,475,908	260,506,710
Medical and dental expenses deduction	870,723	3,306,083	6,552	39,718	3,605,479	29,431,606
Taxes paid deduction	4,412,260	22,925,417	22,172	189,966	14,202,822	82,484,335
Interest paid deduction	3,763,080	38,824,164	18,520	215,374	9,694,644	84,976,744
Contributions deduction	3,522,484	8,971,560	19,086	59,887	11,157,377	35,793,365
Casualty or theft loss deduction	26,499	741,880	–	–	71,989	1,021,438
Total miscellaneous deductions	1,710,043	10,788,687	6,375	32,104	4,461,149	31,013,996
Basic standard deduction	16,021,055	120,769,703	50,801	523,098	45,695,598	220,359,285
Additional standard deduction	302,135	383,493	5,019	5,019	4,999,394	6,339,584
Taxable income	13,521,172	301,046,295	46,557	2,179,965	45,581,486	1,312,089,451
Alternative minimum tax	284,824	848,096	1,737	7,526	518,029	2,940,707
Total tax credits [1]	10,999,324	10,836,175	36,458	43,837	9,005,941	5,815,412
Foreign tax credit	165,325	428,761	7,220	3,483	2,159,869	1,919,012
Child care credit	2,315,480	1,318,674	4,447	3,001	137,159	73,531
Credit for the elderly or disabled	* 5,037	* 462	–	–	* 76,839	* 12,441
Education credit	997,121	849,427	2,017	1,723	2,822,275	2,083,700
Retirement savings contribution credit	1,480,408	220,291	1,007	201	1,302,841	167,197
Residential energy credit	322,105	72,441	1,812	303	851,359	179,138
Child tax credit	8,373,700	7,267,647	27,133	30,344	877,548	719,256
Alternative motor vehicle credit	* 10	* 18	–	–	* 4,798	* 12,157
Earned income credit used to offset income tax before credits	1,495,674	563,020	5,299	1,976	1,213,605	167,455
Minimum tax credit	14,069	15,049	16	624	69,921	159,703
General business credit	14,889	31,864	154	1,625	95,959	260,588
Empowerment zone and community renewal employment credit	1,058	4,875	11	58	4,124	15,290
Income tax after credits	6,747,004	36,833,734	32,077	336,150	43,351,107	228,950,637
Total income tax	6,747,004	36,833,734	32,077	336,150	43,351,108	228,952,219
Total tax liability	7,045,799	39,088,316	34,308	345,627	45,222,573	238,691,230
Total tax payments	19,991,478	68,632,836	72,776	467,251	58,723,023	269,970,357
Income tax withheld	18,403,547	60,264,444	64,003	327,693	52,262,844	208,550,210
Estimated tax payments	291,075	5,388,810	3,783	110,721	3,769,544	46,282,779
Overpayment refunded	19,444,747	66,130,681	64,890	206,237	47,822,891	56,653,432
Tax due at time of filing	1,067,059	4,282,147	8,608	43,559	11,771,578	29,381,100

* Estimate should be used with caution due to the small number of sample returns on which it is based.

[1] Includes credits not shown separately

NOTE: Detail may not add to totals because of rounding

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest		Tax-exempt interest		Ordinary dividends		Qualified dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	**138,394,754**	**8,030,842,945**	**116,379,376**	**5,469,370,119**	**62,401,235**	**222,707,445**	**6,038,822**	**72,970,971**	**31,619,775**	**199,359,146**	**26,584,184**	**137,195,800**
No adjusted gross income	2,675,594	-91,196,610	714,478	17,878,229	885,404	6,150,321	88,852	1,300,897	540,964	2,283,212	445,855	1,230,016
$1 under $5,000	11,633,370	31,004,475	8,852,728	28,383,613	2,839,640	1,699,168	102,075	190,872	1,470,125	1,102,881	1,216,545	570,614
$5,000 under $10,000	11,786,747	87,992,646	9,293,308	67,219,963	2,766,590	3,009,871	121,627	401,115	1,247,269	1,567,563	1,012,178	756,449
$10,000 under $15,000	11,711,680	146,357,710	9,080,238	106,771,898	3,027,048	4,474,593	163,586	662,514	1,280,234	2,238,306	1,049,868	1,071,720
$15,000 under $20,000	10,937,694	191,038,094	8,977,609	148,316,842	3,020,019	5,106,052	135,964	436,457	1,294,938	2,343,797	1,021,828	1,215,611
$20,000 under $25,000	9,912,261	222,862,623	8,573,595	183,012,022	2,786,869	4,534,292	153,479	675,569	1,161,357	2,154,371	934,157	1,121,027
$25,000 under $30,000	8,749,761	240,252,128	7,634,923	198,062,401	2,783,594	4,546,243	143,631	769,828	1,117,737	2,294,745	905,574	1,243,463
$30,000 under $40,000	14,151,824	492,158,138	12,585,820	408,124,120	5,351,616	8,491,134	284,278	1,568,021	2,133,918	4,173,540	1,714,990	2,314,142
$40,000 under $50,000	10,687,193	478,795,699	9,481,258	389,320,598	5,113,117	8,359,747	337,171	1,791,270	2,210,312	5,242,042	1,836,925	2,848,694
$50,000 under $75,000	18,854,917	1,158,386,347	16,801,304	919,196,733	11,419,597	22,185,113	884,523	5,028,368	5,300,090	14,192,978	4,383,316	8,689,544
$75,000 under $100,000	11,140,408	960,841,319	10,021,003	751,305,323	8,230,374	18,145,119	764,350	4,333,509	4,219,882	13,692,026	3,521,698	8,472,200
$100,000 under $200,000	12,088,423	1,606,322,715	10,888,319	1,205,050,029	10,303,588	33,955,561	1,472,513	11,277,566	6,475,265	32,849,107	5,616,465	21,725,457
$200,000 under $500,000	3,121,485	895,151,023	2,701,345	544,631,238	2,945,517	25,358,364	882,075	12,593,927	2,334,295	30,828,990	2,135,848	21,875,425
$500,000 under $1,000,000	589,306	399,608,986	487,691	188,813,547	577,126	14,078,383	278,847	7,641,895	508,531	16,966,756	480,372	12,504,165
$1,000,000 under $1,500,000	150,431	182,043,576	121,544	70,188,881	148,607	7,401,827	85,556	3,819,089	135,761	8,818,224	128,611	6,704,820
$1,500,000 under $2,000,000	64,007	110,211,789	51,234	37,609,861	63,647	4,875,598	40,440	2,536,776	58,893	5,424,332	55,774	4,102,064
$2,000,000 under $5,000,000	98,724	295,129,497	79,672	89,552,878	98,086	13,487,165	67,060	6,608,002	90,849	15,016,424	86,502	11,401,157
$5,000,000 under $10,000,000	24,975	171,407,703	20,365	44,036,537	24,891	8,969,331	19,294	3,750,095	23,849	9,454,677	22,749	7,245,962
$10,000,000 or more	15,956	452,475,087	12,944	71,895,407	15,906	27,879,563	13,500	7,585,202	15,505	28,715,176	14,929	22,103,272
Taxable returns, total	**92,740,927**	**7,439,473,161**	**80,491,071**	**4,888,702,061**	**51,142,560**	**203,857,468**	**5,483,153**	**68,841,717**	**27,065,994**	**189,597,772**	**22,954,944**	**131,785,142**
No adjusted gross income	6,301	-5,987,541	4,077	434,024	5,084	730,400	1,461	167,881	4,166	320,571	3,655	197,445
$1 under $5,000	856,788	2,257,448	394,050	763,956	543,425	360,235	31,914	18,131	568,123	430,727	512,475	257,502
$5,000 under $10,000	3,368,135	25,495,646	3,109,939	22,343,967	866,689	572,961	36,774	51,093	461,258	488,832	402,665	280,502
$10,000 under $15,000	5,775,871	72,134,324	4,600,464	54,374,779	1,631,188	2,404,180	96,224	364,964	702,751	1,207,246	576,103	563,322
$15,000 under $20,000	5,720,555	100,369,887	4,634,257	76,644,244	1,746,136	3,133,483	79,274	263,108	778,518	1,414,346	620,658	715,138
$20,000 under $25,000	5,853,087	131,704,447	4,832,932	101,471,717	2,006,856	3,622,912	119,147	541,580	899,794	1,643,328	732,162	883,908
$25,000 under $30,000	5,777,215	159,017,821	4,862,722	125,002,809	2,160,213	3,840,667	119,807	656,592	926,768	1,942,460	747,433	1,033,009
$30,000 under $40,000	11,156,227	389,433,125	9,770,826	315,938,737	4,514,573	7,663,678	245,570	1,231,439	1,865,140	3,616,851	1,496,879	1,986,387
$40,000 under $50,000	9,329,664	418,586,587	8,217,096	335,828,983	4,563,979	7,491,669	302,627	1,408,972	2,013,757	4,743,392	1,676,998	2,544,294
$50,000 under $75,000	17,817,863	1,097,416,752	15,858,967	868,179,848	10,871,915	21,321,577	850,316	4,627,135	5,072,273	13,518,798	4,197,834	8,265,736
$75,000 under $100,000	10,981,207	947,433,910	9,883,292	741,416,596	8,104,179	17,728,443	749,606	4,094,889	4,162,671	13,158,292	3,473,055	8,094,546
$100,000 under $200,000	12,041,382	1,600,506,040	10,852,978	1,201,465,471	10,261,626	33,641,666	1,465,694	11,039,692	6,448,570	32,499,375	5,594,780	21,488,738
$200,000 under $500,000	3,115,244	893,337,094	2,697,327	543,683,640	2,940,233	25,148,352	880,601	12,511,512	2,330,257	30,642,490	2,132,527	21,746,192
$500,000 under $1,000,000	588,046	398,745,041	486,872	188,437,017	576,018	13,953,281	278,533	7,603,362	507,654	16,859,761	479,626	12,431,409
$1,000,000 or more	353,341	1,209,022,580	285,274	312,716,274	350,447	62,243,965	225,607	24,261,366	324,294	67,111,302	308,094	51,297,015
Nontaxable returns, total	**45,653,826**	**591,369,784**	**35,888,305**	**580,668,058**	**11,258,675**	**18,849,977**	**555,669**	**4,129,254**	**4,553,780**	**9,761,374**	**3,629,240**	**5,410,658**

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	State income tax refunds		Alimony received		Business or profession				Capital gain distributions		Sales of capital assets	
					Net income		Net loss				Taxable net gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	**22,964,214**	**24,206,006**	**441,514**	**8,120,381**	**16,209,687**	**330,265,386**	**5,446,722**	**48,738,126**	**4,599,135**	**8,416,731**	**13,427,079**	**789,797,297**
No adjusted gross income	84,997	253,202	* 709	* 17,177	212,239	2,688,671	429,977	10,743,018	29,044	35,701	165,726	10,929,006
$1 under $5,000	96,236	57,764	12,124	48,874	1,351,819	3,904,914	158,823	979,663	343,221	276,371	458,409	809,762
$5,000 under $10,000	135,605	79,319	23,673	102,417	1,736,070	11,626,939	184,145	1,194,895	200,297	239,472	466,823	1,579,013
$10,000 under $15,000	256,138	147,636	40,832	311,444	1,695,773	16,556,296	240,522	1,895,075	214,205	332,462	472,963	1,749,283
$15,000 under $20,000	343,539	188,855	37,850	303,100	1,144,236	12,971,831	265,387	2,105,613	199,657	238,883	433,733	1,984,703
$20,000 under $25,000	482,416	230,430	37,814	320,145	839,119	10,666,018	267,212	1,755,465	164,085	245,207	406,848	1,927,522
$25,000 under $30,000	621,237	302,498	36,816	388,958	734,803	10,622,790	267,015	1,781,254	173,381	255,395	422,174	2,184,965
$30,000 under $40,000	1,786,876	975,120	65,334	802,522	1,257,950	17,786,932	507,989	3,076,241	345,996	426,125	796,257	4,704,585
$40,000 under $50,000	2,091,754	1,264,727	49,658	767,243	1,106,549	16,208,014	459,326	2,639,195	390,479	615,884	854,874	5,575,487
$50,000 under $75,000	5,614,850	3,960,527	74,100	1,654,603	2,079,261	35,340,025	1,039,407	6,263,365	845,713	1,475,849	2,077,659	17,827,689
$75,000 under $100,000	4,515,008	3,660,605	30,556	856,613	1,424,198	30,602,858	617,322	3,472,142	653,719	1,148,707	1,753,040	21,345,205
$100,000 under $200,000	5,546,706	5,938,834	23,824	1,148,793	1,809,342	66,288,637	742,802	5,387,127	825,108	2,037,960	3,063,606	67,091,897
$200,000 under $500,000	1,035,039	2,233,468	6,030	832,321	636,114	53,290,017	201,387	2,938,573	189,900	896,556	1,421,642	98,690,086
$500,000 under $1,000,000	200,864	1,064,349	1,643	406,904	117,221	16,997,119	39,370	1,131,576	18,833	121,489	368,754	75,003,350
$1,000,000 under $1,500,000	59,080	571,473	279	28,019	27,696	5,648,649	10,268	505,529	3,279	27,177	105,275	43,801,537
$1,500,000 under $2,000,000	27,498	393,698	84	28,350	11,777	3,018,574	4,382	290,752	1,056	10,821	46,943	30,434,436
$2,000,000 under $5,000,000	45,133	990,355	153	32,319	18,408	10,308,226	7,595	873,883	959	18,992	77,025	92,779,494
$5,000,000 under $10,000,000	12,504	606,420	23	21,122	4,419	2,286,669	2,089	515,291	170	12,251	21,008	68,256,219
$10,000,000 or more	8,735	1,286,725	13	49,458	2,693	3,452,208	1,701	1,189,468	33	1,429	14,319	243,123,059
Taxable returns, total	**20,692,187**	**22,153,705**	**318,690**	**7,085,346**	**9,368,887**	**261,893,236**	**3,788,396**	**28,404,323**	**4,045,697**	**7,921,918**	**11,865,301**	**769,758,786**
No adjusted gross income	247	3,430	–	–	1,377	126,308	467	217,635	* 164	* 1,297	1,861	2,345,595
$1 under $5,000	* 3,952	* 1,933	--	–	20,041	20,690	* 1,920	* 8,255	210,824	215,786	238,379	371,176
$5,000 under $10,000	12,691	1,622	* 650	* 5,847	137,089	601,742	22,469	81,333	103,130	153,957	211,212	629,281
$10,000 under $15,000	69,321	32,700	19,489	159,942	401,788	3,291,513	80,927	398,678	141,367	261,036	271,361	959,385
$15,000 under $20,000	155,655	60,466	22,756	203,593	412,485	4,458,636	93,364	659,881	135,575	180,392	266,272	1,028,720
$20,000 under $25,000	283,409	111,115	20,635	172,855	417,455	4,501,466	136,000	691,166	128,857	209,969	325,961	1,410,854
$25,000 under $30,000	399,418	165,595	18,068	209,523	375,461	4,803,931	156,302	922,780	144,287	221,947	341,183	1,753,837
$30,000 under $40,000	1,429,771	712,302	53,662	632,685	856,788	11,079,388	364,379	2,033,361	313,838	370,776	665,990	3,563,472
$40,000 under $50,000	1,766,804	986,811	47,776	719,760	874,971	12,586,346	370,889	2,126,698	351,975	585,644	763,463	4,445,001
$50,000 under $75,000	5,223,288	3,559,802	74,048	1,652,022	1,863,164	30,475,000	956,918	5,455,063	825,001	1,452,719	1,966,133	16,261,842
$75,000 under $100,000	4,428,524	3,519,544	29,873	815,214	1,392,550	29,463,095	600,334	3,246,656	652,602	1,145,822	1,713,302	20,174,114
$100,000 under $200,000	5,531,627	5,876,725	23,522	1,116,707	1,798,818	65,674,924	738,400	5,253,381	824,049	2,035,226	3,048,571	66,105,140
$200,000 under $500,000	1,034,011	2,221,285	6,018	831,570	634,975	53,167,486	200,830	2,887,618	189,742	895,612	1,419,178	98,238,243
$500,000 under $1,000,000	200,649	1,057,923	1,640	406,358	117,031	16,970,084	39,246	1,111,478	18,800	121,273	368,268	74,789,342
$1,000,000 or more	152,819	3,842,452	552	159,268	64,894	24,672,627	25,951	3,310,343	5,484	70,463	264,167	477,682,782
Nontaxable returns, total	**2,272,027**	**2,052,301**	**122,824**	**1,035,035**	**6,840,801**	**68,372,150**	**1,658,325**	**20,333,802**	**553,439**	**494,814**	**1,561,777**	**20,038,512**

Footnotes at end of table

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D											
	Taxable net loss		Short-term capital gain		Short-term capital loss		Short-term loss carryover		Net short-term gain from sales of capital assets		Net short-term loss from sales of capital assets	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total	**8,641,990**	**18,751,674**	**5,337,951**	**52,308,971**	**5,188,636**	**129,803,389**	**1,931,034**	**105,089,820**	**5,319,838**	**33,524,258**	**3,623,253**	**27,126,470**
No adjusted gross income	521,417	1,295,372	88,769	1,255,098	269,147	12,924,095	201,579	11,330,384	113,924	1,074,156	98,753	1,734,533
$1 under $5,000	435,750	821,625	178,138	137,813	187,544	2,690,126	105,391	2,199,476	188,296	192,116	94,367	544,178
$5,000 under $10,000	334,056	688,816	151,658	291,388	150,870	2,644,251	73,388	2,270,163	153,366	320,432	96,105	379,145
$10,000 under $15,000	343,659	731,634	183,746	332,176	149,647	2,647,093	59,396	2,258,771	180,414	347,051	101,773	359,903
$15,000 under $20,000	350,306	766,358	153,010	328,120	148,807	2,630,346	58,300	1,867,613	155,041	387,869	102,969	822,255
$20,000 under $25,000	319,458	673,907	135,904	245,596	141,693	2,844,925	57,863	2,426,374	134,487	292,691	92,366	456,922
$25,000 under $30,000	297,091	603,028	158,133	323,079	141,502	2,244,851	52,703	1,859,647	155,105	333,287	97,865	412,495
$30,000 under $40,000	530,300	1,102,486	279,744	587,104	273,040	4,704,127	103,372	3,506,078	276,214	665,223	185,585	1,252,855
$40,000 under $50,000	539,024	1,076,511	317,971	771,638	269,778	4,677,629	93,556	3,737,651	313,479	969,046	195,275	1,195,034
$50,000 under $75,000	1,283,264	2,684,678	789,484	2,114,359	729,884	10,935,898	210,425	9,273,034	783,833	2,313,705	542,292	1,928,487
$75,000 under $100,000	1,067,399	2,296,786	673,185	2,192,476	619,191	10,784,676	195,849	8,889,506	660,397	2,272,715	453,476	2,173,074
$100,000 under $200,000	1,736,912	3,804,717	1,267,581	5,651,886	1,182,710	24,852,160	372,787	20,758,570	1,268,587	5,681,192	877,991	4,781,666
$200,000 under $500,000	687,878	1,684,019	636,454	6,593,565	636,463	19,995,500	233,728	16,677,093	637,102	6,142,065	467,977	4,103,316
$500,000 under $1,000,000	131,217	345,470	181,196	4,494,160	169,099	9,269,121	67,104	7,475,240	175,411	3,395,648	122,013	1,996,840
$1,000,000 under $1,500,000	31,369	84,666	54,344	2,499,163	50,016	3,496,897	18,895	2,733,394	49,363	1,586,018	38,002	842,630
$1,500,000 under $2,000,000	12,156	33,640	24,540	1,627,899	21,923	2,054,017	8,711	1,579,627	21,645	911,632	16,918	562,431
$2,000,000 under $5,000,000	16,247	45,271	43,241	5,494,806	33,172	4,379,456	12,873	3,119,487	36,668	2,595,986	26,928	1,247,358
$5,000,000 under $10,000,000	3,139	8,879	12,065	3,775,930	8,736	1,970,930	3,186	1,193,644	9,813	1,311,580	7,500	651,225
$10,000,000 or more	1,348	3,810	8,788	13,592,717	5,415	4,057,290	1,929	1,934,068	6,695	2,731,844	5,098	1,682,123
Taxable returns, total	**6,661,418**	**14,275,474**	**4,685,177**	**49,294,870**	**4,236,154**	**98,244,380**	**1,372,194**	**78,651,261**	**4,620,749**	**30,342,585**	**3,120,703**	**21,561,642**
No adjusted gross income	1,664	4,767	1,354	148,754	1,220	733,879	1,122	683,070	1,320	57,009	389	53,982
$1 under $5,000	43,441	42,290	75,502	66,099	31,269	51,592	9,503	32,342	73,959	65,650	18,892	19,213
$5,000 under $10,000	73,697	109,951	65,859	39,296	34,902	182,801	11,636	153,384	64,220	35,510	26,245	25,066
$10,000 under $15,000	146,462	280,946	101,138	203,146	67,956	679,080	20,280	581,479	98,582	210,468	48,324	71,923
$15,000 under $20,000	175,247	368,349	87,938	116,237	73,734	710,652	23,423	592,115	86,388	129,744	54,736	130,762
$20,000 under $25,000	218,908	457,874	106,272	170,056	91,543	1,214,462	32,327	1,063,981	104,864	185,982	62,651	160,078
$25,000 under $30,000	229,410	448,501	120,579	263,857	100,955	1,059,910	30,486	796,312	116,573	251,181	73,949	265,573
$30,000 under $40,000	440,700	904,942	223,324	431,646	218,454	2,990,855	77,874	2,269,620	218,413	468,466	153,913	752,488
$40,000 under $50,000	470,081	924,394	281,426	614,418	232,378	3,589,284	76,602	2,833,513	278,107	740,120	168,706	918,660
$50,000 under $75,000	1,206,131	2,510,056	747,521	1,904,967	679,940	8,750,695	185,000	7,413,155	739,835	2,070,226	510,000	1,593,188
$75,000 under $100,000	1,049,806	2,248,012	654,815	1,995,596	608,651	9,917,487	191,599	8,134,766	642,246	2,078,666	447,713	2,064,561
$100,000 under $200,000	1,724,712	3,775,537	1,260,567	5,485,072	1,172,376	23,850,893	367,132	19,905,223	1,261,306	5,508,048	872,013	4,613,083
$200,000 under $500,000	686,262	1,679,709	635,228	6,522,789	635,004	19,699,563	232,879	16,425,073	635,833	6,093,384	467,112	4,050,926
$500,000 under $1,000,000	130,817	344,368	180,927	4,465,465	168,719	9,062,981	66,865	7,298,250	175,138	3,370,973	121,753	1,967,388
$1,000,000 or more	64,081	175,777	142,727	26,867,472	119,053	15,750,246	45,467	10,468,979	123,965	9,077,159	94,305	4,874,751
Nontaxable returns, total	**1,980,572**	**4,476,201**	**652,774**	**3,014,100**	**952,481**	**31,559,009**	**558,840**	**26,438,559**	**699,089**	**3,181,673**	**502,550**	**5,564,828**

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--continued											
	Short-term gain from other forms (2119, 4797, etc.)		Short-term loss from other forms (4684, 6781, and 8824)		Net short-term partnership/ S-corporation gain		Net short-term partnership/ S-corporation loss		Long-term capital gain		Long-term capital loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	**146,529**	**4,688,907**	**178,867**	**1,365,522**	**731,903**	**21,706,855**	**353,257**	**3,833,841**	**12,670,217**	**763,742,508**	**7,257,803**	**208,022,674**
No adjusted gross income	4,549	78,491	5,102	58,498	12,681	525,084	8,539	223,314	175,494	11,514,572	446,041	22,130,052
$1 under $5,000	* 3,820	* 357	3,692	16,746	9,854	20,393	8,254	4,779	435,610	868,156	386,930	5,085,293
$5,000 under $10,000	* 2,946	* 5,179	2,167	3,577	7,490	7,361	5,370	32,951	447,610	1,560,183	293,221	4,994,416
$10,000 under $15,000	4,216	3,097	2,169	9,304	12,580	22,717	7,284	59,804	425,905	1,656,597	303,335	5,662,194
$15,000 under $20,000	* 3,184	* 4,359	* 107	* 59	5,817	6,442	4,527	10,969	397,587	1,863,154	306,833	7,062,183
$20,000 under $25,000	* 1,318	* 597	3,259	15,266	14,628	23,572	10,430	17,628	378,332	1,828,806	271,142	5,618,520
$25,000 under $30,000	4,048	11,457	* 2,810	* 2,010	7,409	13,054	7,224	5,419	382,390	2,075,376	244,605	4,805,976
$30,000 under $40,000	5,584	19,911	5,460	32,517	27,237	34,736	15,445	45,442	730,789	4,513,159	431,948	11,011,220
$40,000 under $50,000	4,697	13,869	8,634	10,316	30,039	92,349	13,912	38,253	790,119	5,290,394	446,895	7,793,404
$50,000 under $75,000	10,345	28,958	15,421	22,281	74,900	148,188	38,480	88,587	1,922,654	17,195,436	1,074,451	22,815,209
$75,000 under $100,000	12,503	76,128	12,122	18,693	66,113	193,554	32,024	53,324	1,650,976	20,439,153	861,296	19,039,596
$100,000 under $200,000	24,679	145,875	33,551	115,641	157,016	860,772	78,405	232,238	2,897,627	64,920,007	1,448,014	38,039,000
$200,000 under $500,000	29,334	284,134	32,581	99,258	143,655	1,400,557	61,254	349,025	1,394,687	96,830,228	578,830	29,136,067
$500,000 under $1,000,000	13,675	269,224	17,532	97,449	70,712	1,620,155	29,985	490,458	372,902	73,492,613	110,316	10,901,424
$1,000,000 under $1,500,000	5,995	242,469	8,432	49,873	28,523	1,006,049	10,808	206,372	107,242	42,617,357	26,351	4,001,350
$1,500,000 under $2,000,000	3,458	170,393	5,258	42,979	15,570	800,718	5,596	123,982	47,624	29,729,291	10,155	2,082,228
$2,000,000 under $5,000,000	7,206	581,169	11,609	117,074	29,587	2,937,020	9,940	514,908	76,906	89,439,292	13,737	4,722,990
$5,000,000 under $10,000,000	2,696	409,657	4,586	95,876	10,067	2,400,088	3,256	375,658	21,282	65,624,946	2,616	1,667,692
$10,000,000 or more	2,277	2,343,583	4,373	558,105	8,023	9,594,047	2,524	960,729	14,483	232,283,787	1,086	1,453,859
Taxable returns, total	**128,789**	**4,556,288**	**163,290**	**1,257,776**	**679,830**	**20,994,418**	**314,894**	**3,373,337**	**11,205,958**	**743,115,554**	**5,578,925**	**153,170,524**
No adjusted gross income	71	4,725	205	1,287	426	105,034	246	13,554	1,777	2,370,224	1,284	1,360,106
$1 under $5,000	* 650	* 101	* 650	* 1	* 4,572	* 791	* 3,629	* 480	230,295	345,160	40,809	190,642
$5,000 under $10,000	* 6	* 1	* 1,632	* 474	* 4,547	* 5,028	* 1,302	* 5,120	204,478	648,004	69,069	476,613
$10,000 under $15,000	* 1,288	* 1,853	* 1,274	* 1,109	* 4,621	* 5,620	4,420	39,363	236,684	886,549	130,505	1,810,982
$15,000 under $20,000	* 2,061	* 2,861	--	--	* 3,306	* 164	* 3,573	* 4,307	245,384	969,891	157,581	2,733,234
$20,000 under $25,000	* 688	* 398	* 2,094	* 13,237	10,210	21,911	7,316	15,401	305,465	1,310,861	187,665	3,247,284
$25,000 under $30,000	* 3,240	* 4,600	* 1,170	* 1,499	5,635	12,879	5,565	1,328	313,063	1,569,309	193,094	3,010,572
$30,000 under $40,000	5,387	18,141	4,464	28,833	25,130	20,415	12,113	15,290	615,606	3,342,287	364,956	6,821,259
$40,000 under $50,000	3,749	2,527	7,641	7,381	26,223	70,815	10,254	28,774	705,435	4,162,373	393,156	6,226,383
$50,000 under $75,000	10,115	22,737	15,377	22,119	71,061	122,317	37,055	32,546	1,818,859	15,543,867	1,014,573	20,161,700
$75,000 under $100,000	12,460	75,865	11,878	17,114	63,469	166,686	29,349	26,666	1,614,433	19,364,688	845,674	17,799,177
$100,000 under $200,000	24,616	145,267	32,795	113,702	155,315	824,373	77,025	211,503	2,882,734	63,972,924	1,439,245	36,267,401
$200,000 under $500,000	29,226	279,150	32,425	97,004	143,129	1,355,940	61,042	332,245	1,392,247	96,373,542	577,482	28,779,048
$500,000 under $1,000,000	13,640	268,760	17,482	96,357	70,576	1,604,238	29,929	479,491	372,357	73,269,532	110,029	10,664,860
$1,000,000 or more	21,593	3,729,304	34,204	857,659	91,609	16,678,208	32,075	2,167,268	267,142	458,986,344	53,804	13,621,261
Nontaxable returns, total	**17,740**	**132,619**	**15,576**	**107,746**	**52,073**	**712,437**	**38,363**	**460,504**	**1,464,260**	**20,626,954**	**1,678,877**	**54,852,151**

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--continued											
	Net long-term gain from sales of capital assets		Net long-term loss from sales of capital assets		Long-term loss carryover		Long-term gain from other forms (2119, 4797, etc.)		Long-term loss from other forms (4684, 6781, and 8824)		Net long-term partnership/ S-corporation gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All returns, total	**9,191,345**	**339,029,650**	**4,660,800**	**50,994,393**	**5,464,418**	**201,030,762**	**2,360,983**	**233,813,815**	**141,298**	**1,527,883**	**1,514,318**	**189,676,169**
No adjusted gross income	155,504	4,578,293	163,414	3,981,817	375,672	20,955,478	76,698	6,512,476	3,729	71,342	30,359	3,603,129
$1 under $5,000	330,419	731,415	191,987	981,172	293,406	4,683,517	34,157	262,044	2,685	19,685	22,472	108,765
$5,000 under $10,000	325,136	1,093,936	156,893	788,557	214,217	4,646,565	48,925	268,254	2,816	5,366	25,267	140,973
$10,000 under $15,000	307,306	1,121,465	186,522	1,402,570	206,741	5,058,492	65,175	656,826	* 2,036	* 13,389	35,850	147,665
$15,000 under $20,000	288,264	1,243,843	180,679	2,157,426	208,767	5,520,984	64,733	480,288	* 115	* 89	15,424	122,063
$20,000 under $25,000	261,983	1,277,127	159,921	970,295	180,266	5,257,371	63,557	496,886	* 3,364	* 16,198	37,179	113,452
$25,000 under $30,000	274,699	1,193,244	142,606	923,874	174,199	4,473,226	67,509	649,723	* 2,810	* 2,485	21,628	178,241
$30,000 under $40,000	516,660	3,199,467	274,057	3,576,292	295,554	8,484,248	117,424	925,514	5,780	17,960	52,381	364,926
$40,000 under $50,000	523,650	3,076,179	310,413	1,799,137	291,317	6,951,666	133,835	1,273,392	7,690	12,732	57,985	333,321
$50,000 under $75,000	1,371,312	10,123,768	737,013	5,298,571	738,469	20,181,713	298,414	4,430,508	14,797	32,126	177,017	1,383,483
$75,000 under $100,000	1,163,878	12,089,270	595,578	4,203,429	620,402	17,905,529	263,093	5,083,001	12,753	36,107	149,956	1,426,898
$100,000 under $200,000	2,136,841	36,677,700	1,020,841	8,343,074	1,105,525	36,850,047	503,310	19,219,590	27,088	157,677	350,542	5,225,124
$200,000 under $500,000	1,044,957	50,751,304	409,794	6,636,238	558,397	30,460,256	364,846	34,319,485	24,542	127,914	273,404	10,312,447
$500,000 under $1,000,000	284,775	35,591,186	81,622	2,373,413	126,488	12,484,663	134,939	26,241,875	11,634	118,991	122,534	11,461,172
$1,000,000 under $1,500,000	82,192	20,246,599	21,118	1,174,670	34,810	4,795,592	44,447	14,701,523	5,482	46,822	47,118	7,883,067
$1,500,000 under $2,000,000	36,796	13,550,845	9,029	636,088	13,947	2,494,000	21,534	9,583,949	3,021	50,455	24,381	6,813,054
$2,000,000 under $5,000,000	59,503	36,329,890	13,604	1,911,244	19,735	5,683,480	37,476	28,870,801	6,715	125,576	44,449	25,171,170
$5,000,000 under $10,000,000	16,353	23,663,920	3,487	953,514	4,245	2,174,481	12,113	21,186,263	2,211	95,756	14,903	21,467,736
$10,000,000 or more	11,119	82,490,200	2,223	2,883,014	2,260	1,969,454	8,799	58,651,416	2,030	577,215	11,469	93,419,483
Taxable returns, total	**8,070,762**	**328,154,871**	**3,876,197**	**38,842,333**	**4,194,524**	**152,256,284**	**2,001,786**	**223,902,508**	**127,971**	**1,394,284**	**1,374,768**	**185,054,677**
No adjusted gross income	1,508	781,509	379	143,357	1,467	1,542,728	1,100	1,110,575	116	818	982	787,726
$1 under $5,000	154,531	230,785	38,086	54,787	36,709	206,273	8,454	15,265	* 650	* 1	10,197	7,692
$5,000 under $10,000	144,222	413,927	50,998	110,824	47,264	426,438	4,468	12,305	* 1,632	* 712	13,908	51,820
$10,000 under $15,000	163,455	562,418	93,274	449,712	79,358	1,503,148	19,394	98,889	* 1,274	* 1,654	20,409	64,644
$15,000 under $20,000	178,522	664,443	103,981	470,534	111,412	2,536,169	25,576	121,336	–	–	7,989	31,950
$20,000 under $25,000	204,056	911,828	121,564	635,262	121,542	2,893,773	41,126	178,237	* 1,900	* 10,990	27,967	78,777
$25,000 under $30,000	225,345	930,917	115,017	532,121	135,811	2,871,077	52,059	357,493	* 1,170	* 2,248	13,174	114,964
$30,000 under $40,000	431,254	2,457,856	229,644	1,381,127	250,000	6,301,753	95,301	596,346	4,786	12,450	45,591	245,004
$40,000 under $50,000	464,395	2,335,636	275,421	1,465,497	257,900	5,548,011	111,514	920,811	7,006	10,907	47,961	226,941
$50,000 under $75,000	1,303,379	9,391,900	701,892	4,874,107	695,584	17,674,568	268,009	3,743,601	14,758	31,930	160,146	1,000,174
$75,000 under $100,000	1,142,697	11,554,205	588,876	4,046,963	601,959	16,656,497	252,337	4,674,357	12,720	34,473	142,783	1,253,116
$100,000 under $200,000	2,124,552	36,209,738	1,017,187	8,273,886	1,097,402	35,029,322	499,489	18,845,193	26,503	156,993	346,683	5,072,056
$200,000 under $500,000	1,042,919	50,454,585	409,056	6,556,953	557,104	30,072,925	364,023	34,189,662	24,433	124,811	272,557	10,181,718
$500,000 under $1,000,000	284,294	35,448,470	81,458	2,333,896	126,185	12,235,705	134,742	26,194,260	11,599	118,131	122,316	11,379,115
$1,000,000 or more	205,632	175,806,655	49,364	7,513,307	74,828	16,757,896	124,193	132,844,178	19,424	888,167	142,107	154,558,981
Nontaxable returns, total	**1,120,584**	**10,874,780**	**784,604**	**12,152,060**	**1,269,894**	**48,774,478**	**359,197**	**9,911,307**	**13,327**	**133,599**	**139,550**	**4,621,492**

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--cont.				Sale of property other than capital assets				Taxable IRA distributions	
	Net long-term partnership/ S-corporation loss		Schedule D capital gain distributions		Net gain		Net loss			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
All returns, total	**407,026**	**4,260,226**	**9,911,970**	**51,000,528**	**894,821**	**14,020,711**	**883,982**	**9,819,064**	**9,965,065**	**124,705,552**
No adjusted gross income	12,520	815,657	190,918	514,916	47,233	983,697	71,777	3,407,487	90,723	1,158,023
$1 under $5,000	11,892	30,760	375,020	395,772	13,320	28,171	15,704	135,905	212,131	473,463
$5,000 under $10,000	5,027	12,980	343,359	516,073	21,146	67,656	25,683	122,562	444,417	1,618,447
$10,000 under $15,000	9,567	84,628	327,351	627,527	18,747	73,428	21,192	140,334	678,299	3,190,285
$15,000 under $20,000	7,165	43,675	317,224	676,952	29,969	198,809	29,580	125,236	677,439	3,996,223
$20,000 under $25,000	13,150	51,341	278,662	618,025	31,366	138,854	29,867	142,520	596,004	3,705,488
$25,000 under $30,000	10,151	46,759	278,317	694,536	34,839	228,522	28,337	154,942	546,177	3,602,087
$30,000 under $40,000	23,537	146,861	520,647	1,237,392	52,937	316,668	46,848	154,483	942,459	6,926,479
$40,000 under $50,000	19,056	51,538	613,412	1,629,172	54,888	355,855	49,428	329,680	829,642	7,421,193
$50,000 under $75,000	55,693	346,447	1,437,665	4,301,324	130,678	1,060,936	106,644	467,023	1,816,177	20,621,318
$75,000 under $100,000	37,552	146,091	1,254,713	5,091,544	99,197	849,336	82,099	444,163	1,262,637	18,585,414
$100,000 under $200,000	93,479	670,678	2,318,740	11,779,641	161,089	2,157,295	155,178	981,596	1,409,061	32,734,810
$200,000 under $500,000	64,351	433,453	1,139,831	9,968,785	110,958	1,922,682	122,025	968,171	362,965	14,501,694
$500,000 under $1,000,000	24,044	437,294	306,075	4,711,284	42,126	1,062,465	52,828	552,050	62,187	3,604,237
$1,000,000 under $1,500,000	8,065	154,485	85,136	1,956,385	15,143	395,545	17,640	315,584	15,248	890,201
$1,500,000 under $2,000,000	3,815	126,440	37,905	1,000,435	7,657	263,909	8,113	177,442	6,593	421,163
$2,000,000 under $5,000,000	5,658	317,289	60,255	2,381,951	14,823	908,489	13,991	444,992	9,321	797,809
$5,000,000 under $10,000,000	1,502	146,090	16,028	1,009,172	4,812	558,481	4,070	227,828	2,199	243,191
$10,000,000 or more	799	197,759	10,712	1,889,642	3,893	2,449,912	2,978	527,069	1,388	214,027
Taxable returns, total	**354,446**	**3,021,216**	**8,723,969**	**48,334,585**	**707,087**	**12,183,248**	**669,548**	**5,312,443**	**8,233,236**	**114,807,436**
No adjusted gross income	156	25,069	1,194	42,280	593	146,611	368	94,953	979	56,675
$1 under $5,000	* 2,307	* 1,092	164,085	162,930	* 2,086	* 352	* 1,949	* 248	8,643	19,403
$5,000 under $10,000	* 2,307	* 4,257	155,229	235,571	* 676	* 813	* 1,949	* 58	35,668	167,765
$10,000 under $15,000	5,910	15,979	169,910	320,109	5,629	13,224	6,215	26,947	337,263	1,501,725
$15,000 under $20,000	* 2,376	* 2,976	199,389	428,607	8,101	33,974	11,911	34,395	359,598	2,116,171
$20,000 under $25,000	8,802	25,909	222,677	460,669	17,383	67,017	11,931	20,022	476,156	2,948,200
$25,000 under $30,000	8,854	23,516	231,270	584,325	18,703	103,675	18,941	83,519	476,272	3,111,953
$30,000 under $40,000	20,555	81,267	451,775	998,419	43,105	264,722	30,775	78,212	867,134	6,215,658
$40,000 under $50,000	14,782	9,591	560,223	1,486,607	45,087	269,875	39,052	215,570	787,378	7,098,336
$50,000 under $75,000	51,100	271,365	1,374,315	4,098,462	112,806	858,421	92,597	297,528	1,770,337	19,942,735
$75,000 under $100,000	37,391	144,304	1,233,365	4,966,070	94,963	772,906	81,125	414,059	1,248,001	18,359,881
$100,000 under $200,000	91,947	636,901	2,306,872	11,675,638	158,995	2,123,078	151,631	921,465	1,406,485	32,626,320
$200,000 under $500,000	64,160	420,501	1,138,128	9,943,720	110,628	1,910,853	121,653	942,443	362,509	14,479,224
$500,000 under $1,000,000	24,001	433,064	305,720	4,703,588	42,055	1,049,507	52,739	542,033	62,111	3,600,039
$1,000,000 or more	19,799	925,425	209,815	8,227,591	46,276	4,568,220	46,712	1,640,991	34,704	2,563,351
Nontaxable returns, total	**52,579**	**1,239,010**	**1,188,001**	**2,665,942**	**187,734**	**1,837,463**	**214,434**	**4,506,621**	**1,731,829**	**9,898,116**

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Pensions and annuities				Rent				Royalty			
	Total		Taxable		Net income		Net loss (includes nondeductible loss)		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(71)	(72)	(73)	(74)	(75)	(73)	(77)	(78)	(79)	(80)	(81)	(82)
All returns, total	**26,511,367**	**780,831,489**	**24,098,220**	**450,454,465**	**3,945,510**	**53,607,878**	**5,200,270**	**64,256,741**	**1,463,190**	**17,360,823**	**40,159**	**320,028**
No adjusted gross income	209,440	4,373,674	166,778	1,855,402	88,415	1,184,036	266,883	7,808,243	31,481	298,952	1,071	20,140
$1 under $5,000	673,447	4,683,077	610,869	1,675,972	78,655	237,785	108,411	1,178,879	42,173	49,348	* 1,222	* 4,537
$5,000 under $10,000	1,289,939	11,219,149	1,249,644	6,451,151	140,630	602,032	151,704	1,408,205	40,680	82,467	* 650	* 414
$10,000 under $15,000	1,857,848	20,595,523	1,794,510	14,353,972	207,224	1,100,487	171,587	1,340,338	53,291	179,706	* 1,307	* 2,764
$15,000 under $20,000	1,897,323	25,959,587	1,825,985	18,862,468	201,711	1,082,296	189,281	1,858,646	57,180	119,369	* 3,750	* 66,558
$20,000 under $25,000	1,599,002	25,149,825	1,525,046	18,095,986	173,954	1,024,344	195,752	1,940,478	50,303	162,834	* 345	* 13
$25,000 under $30,000	1,423,193	25,544,357	1,322,823	17,909,569	149,867	883,912	205,819	1,909,343	64,692	229,529	* 106	* 24
$30,000 under $40,000	2,614,607	50,681,403	2,445,322	36,200,311	279,731	1,775,171	402,712	3,733,219	98,188	376,922	2,408	12,924
$40,000 under $50,000	2,284,881	52,652,390	2,108,902	36,782,882	265,498	1,904,182	404,943	3,887,236	85,200	361,821	* 2,606	* 7,366
$50,000 under $75,000	4,769,688	131,136,642	4,354,987	89,292,597	618,194	5,269,195	907,052	9,122,069	203,706	1,049,860	** 8,684	** 61,255
$75,000 under $100,000	3,204,933	114,882,290	2,847,974	72,204,466	505,388	5,242,437	699,206	6,949,434	176,508	1,019,623	**	**
$100,000 under $200,000	3,591,859	193,499,931	3,015,567	99,546,475	739,049	10,922,109	976,048	12,001,867	289,436	2,621,262	9,274	31,114
$200,000 under $500,000	864,185	84,994,254	661,259	29,220,410	349,489	10,262,790	392,791	6,699,837	159,545	3,099,941	5,821	66,968
$500,000 under $1,000,000	144,559	18,254,697	105,338	4,307,088	86,574	4,761,978	79,279	2,152,430	52,153	2,311,148	1,267	11,108
$1,000,000 under $1,500,000	36,445	5,989,224	26,519	1,256,618	24,403	1,894,059	20,649	685,190	18,786	1,063,112	417	1,437
$1,500,000 under $2,000,000	16,066	2,731,506	11,637	616,899	11,787	1,140,497	8,765	353,315	9,141	638,770	290	9,111
$2,000,000 under $5,000,000	23,725	5,367,045	17,415	1,021,628	17,476	2,342,411	13,682	672,666	18,496	1,456,712	534	11,084
$5,000,000 under $10,000,000	6,169	1,589,726	4,589	369,524	4,585	940,146	3,448	242,077	6,607	745,086	197	3,743
$10,000,000 or more	4,058	1,527,187	3,056	431,046	2,880	1,038,011	2,256	313,266	5,624	1,494,362	211	9,470
Taxable returns, total	**21,610,788**	**720,856,029**	**19,547,813**	**416,651,298**	**3,188,889**	**48,570,101**	**3,927,308**	**43,819,597**	**1,251,524**	**16,538,161**	**33,524**	**231,884**
No adjusted gross income	1,999	89,422	1,930	55,911	445	64,759	1,480	84,682	372	9,538	* 34	* 6,730
$1 under $5,000	20,577	66,184	20,577	36,842	* 1,311	* 1,487	* 893	* 24,465	* 5,772	* 1,410	–	–
$5,000 under $10,000	113,095	687,848	108,478	585,194	11,965	65,907	7,218	106,935	* 5,268	* 9,533	* 650	* 414
$10,000 under $15,000	953,924	10,529,352	928,133	7,737,773	79,767	477,449	39,091	145,154	22,380	88,765	* 1,307	* 2,764
$15,000 under $20,000	1,100,712	14,599,907	1,071,439	11,422,962	95,231	514,434	78,756	544,456	38,301	94,875	–	–
$20,000 under $25,000	1,246,044	19,653,745	1,197,108	14,908,759	126,708	785,089	97,313	698,957	38,727	143,976	* 345	* 13
$25,000 under $30,000	1,207,620	22,695,658	1,127,572	16,229,195	108,250	600,675	125,226	1,006,455	51,424	209,981	–	–
$30,000 under $40,000	2,359,573	46,733,176	2,221,417	34,205,838	227,195	1,381,614	271,602	2,037,185	88,052	329,573	* 2,062	* 9,771
$40,000 under $50,000	2,130,009	49,973,141	1,977,382	35,520,882	227,836	1,547,327	327,531	2,623,049	76,853	345,215	* 2,603	* 7,365
$50,000 under $75,000	4,630,989	128,610,011	4,237,899	87,754,215	579,262	4,869,883	814,980	7,511,579	195,537	1,023,607	** 8,546	** 61,241
$75,000 under $100,000	3,169,768	113,767,328	2,819,486	71,750,790	499,944	5,170,699	677,357	6,350,356	171,903	918,337	**	**
$100,000 under $200,000	3,582,637	193,126,830	3,007,740	99,278,324	734,699	10,766,249	966,355	11,651,477	287,222	2,587,563	9,269	31,100
$200,000 under $500,000	863,086	84,900,769	660,326	29,181,142	348,809	10,231,046	391,747	6,641,859	159,117	3,084,862	5,807	66,856
$500,000 under $1,000,000	144,396	18,233,959	105,200	4,296,530	88,437	4,753,527	79,070	2,140,767	52,040	2,306,338	1,259	10,864
$1,000,000 or more	86,360	17,188,700	63,127	3,686,937	61,030	7,339,957	48,689	2,252,221	58,555	5,384,591	1,643	34,765
Nontaxable returns, total	**4,900,578**	**59,975,460**	**4,550,407**	**33,803,166**	**756,621**	**5,037,776**	**1,272,962**	**20,437,144**	**211,667**	**822,662**	**6,635**	**88,144**

Footnotes at end of table

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Farm rental				Total rental and royalty				Partnership and S Corporation			
	Net income		Net loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(83)	(84)	(85)	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)
All returns, total	**462,724**	**3,609,088**	**125,974**	**611,692**	**5,329,744**	**73,354,079**	**4,658,255**	**49,928,987**	**5,022,308**	**528,224,522**	**2,596,993**	**102,747,208**
No adjusted gross income	10,028	99,686	5,791	61,623	109,910	1,488,603	267,968	6,498,122	65,730	2,542,730	263,510	36,222,811
$1 under $5,000	15,055	23,641	* 4,448	* 13,650	127,760	301,997	109,116	964,659	66,758	251,798	57,333	940,789
$5,000 under $10,000	23,708	122,052	* 4,955	* 5,613	196,191	794,259	143,090	1,270,084	85,310	561,090	78,519	1,087,075
$10,000 under $15,000	27,138	81,393	6,506	37,938	271,122	1,309,855	166,044	1,174,483	108,746	797,676	80,024	987,010
$15,000 under $20,000	33,302	124,711	6,873	30,468	264,026	1,246,896	184,286	1,703,794	101,787	987,462	63,538	777,918
$20,000 under $25,000	22,727	170,126	** 13,200	** 45,001	231,187	1,336,812	196,072	1,740,845	120,909	1,361,451	80,201	986,181
$25,000 under $30,000	15,465	122,251	**	**	212,525	1,220,991	199,691	1,695,934	121,108	1,660,766	87,399	740,065
$30,000 under $40,000	43,472	306,169	13,610	23,548	388,227	2,429,952	402,349	3,391,203	248,469	3,957,627	150,285	1,723,222
$40,000 under $50,000	36,008	317,435	10,228	55,002	353,860	2,498,875	391,640	3,458,145	271,850	4,365,451	171,491	2,116,726
$50,000 under $75,000	70,024	478,145	** 34,115	** 127,131	826,979	6,697,005	889,638	7,921,751	677,422	12,693,983	349,435	4,042,787
$75,000 under $100,000	63,151	467,526	**	**	674,865	6,615,465	690,126	6,239,558	603,605	14,738,460	290,343	3,554,421
$100,000 under $200,000	76,844	827,518	16,960	132,388	988,040	14,178,932	755,422	7,070,707	1,196,187	51,220,393	502,071	8,291,829
$200,000 under $500,000	18,471	300,975	** 9,286	** 79,329	459,930	13,429,267	184,220	3,599,081	874,791	94,459,177	276,897	7,905,163
$500,000 under $1,000,000	4,565	86,536	**	**	122,136	7,055,299	44,631	1,360,487	280,490	78,690,143	76,495	5,233,471
$1,000,000 under $1,500,000	961	16,574	**	**	37,495	2,948,269	13,449	494,755	82,682	42,460,924	23,825	2,678,612
$1,500,000 under $2,000,000	646	22,013	**	**	18,256	1,779,343	6,154	292,466	36,530	27,385,477	11,873	2,049,983
$2,000,000 under $5,000,000	822	27,356	**	**	30,889	3,800,646	9,827	546,937	56,232	71,418,932	21,513	5,987,978
$5,000,000 under $10,000,000	195	5,661	**	**	9,381	1,680,058	2,665	210,577	14,425	38,143,069	7,017	4,327,735
$10,000,000 or more	143	9,320	**	**	6,963	2,541,554	1,866	293,399	9,277	80,527,915	5,226	13,093,433
Taxable returns, total	**370,332**	**3,126,209**	**98,674**	**474,559**	**4,344,038**	**67,291,820**	**3,409,008**	**32,818,865**	**4,398,750**	**517,342,058**	**1,873,514**	**58,276,229**
No adjusted gross income	* 26	* 589	* 15	* 221	676	72,215	1,511	79,628	1,213	661,526	1,865	1,358,255
$1 under $5,000	–	–	–	–	7,083	2,897	* 893	* 17,266	16,508	29,303	* 3,908	* 8,487
$5,000 under $10,000	* 650	* 5,096	* 650	* 444	16,250	80,564	7,218	105,511	23,875	125,905	11,716	66,371
$10,000 under $15,000	12,019	36,694	* 3,289	* 22,330	107,250	587,107	38,529	142,871	45,022	309,732	16,382	106,313
$15,000 under $20,000	16,362	60,684	* 2,330	* 5,725	133,763	660,717	72,562	513,876	53,383	469,813	23,263	172,109
$20,000 under $25,000	20,438	155,079	** 11,913	** 43,949	172,912	1,071,474	99,178	620,796	75,850	761,699	40,007	255,475
$25,000 under $30,000	13,507	101,799	**	**	158,272	901,822	122,431	923,033	75,119	1,009,415	53,353	248,747
$30,000 under $40,000	39,998	277,830	10,640	15,780	326,783	1,976,224	270,943	1,921,919	171,842	2,640,140	99,988	815,716
$40,000 under $50,000	32,841	266,705	10,132	52,589	307,401	2,094,415	315,448	2,420,427	209,477	3,176,421	120,767	1,069,833
$50,000 under $75,000	69,394	471,304	** 33,512	** 122,176	782,367	6,268,857	801,371	6,710,211	600,416	10,672,632	308,371	3,088,547
$75,000 under $100,000	62,497	455,442	**	**	664,912	6,437,028	669,330	5,794,964	587,452	14,158,122	276,608	2,873,451
$100,000 under $200,000	76,835	827,293	16,918	132,270	982,668	13,992,438	747,509	6,823,435	1,185,654	50,770,450	496,120	7,779,317
$200,000 under $500,000	18,444	300,303	** 9,274	** 79,074	458,964	13,383,793	183,692	3,564,778	873,700	94,342,147	275,749	7,610,410
$500,000 under $1,000,000	4,560	86,495	**	**	121,923	7,041,612	44,513	1,353,150	280,275	78,626,494	76,187	5,068,634
$1,000,000 or more	2,763	80,896	**	**	102,812	12,720,656	33,881	1,827,002	198,963	259,588,259	69,231	27,754,564
Nontaxable returns, total	**92,392**	**482,879**	**27,300**	**137,133**	**985,706**	**6,062,259**	**1,249,247**	**17,108,122**	**623,559**	**10,882,464**	**723,478**	**44,470,979**

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Estate and trust				Farm				Unemployment compensation		Social security benefits	
	Net income		Net loss		Net income		Net loss				Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)	(106)
All returns, total	**550,919**	**19,125,097**	**44,685**	**1,941,673**	**551,965**	**7,683,980**	**1,406,308**	**23,015,298**	**7,378,438**	**26,523,665**	**20,609,364**	**339,754,476**
No adjusted gross income	10,051	209,639	5,635	590,575	15,536	268,150	114,266	4,545,334	20,834	99,780	474,661	6,799,770
$1 under $5,000	11,513	35,900	* 633	* 2,446	28,900	80,650	32,172	278,362	171,143	305,315	1,143,764	14,997,556
$5,000 under $10,000	19,485	63,246	* 656	* 64	28,663	160,073	54,813	572,166	503,188	1,263,517	1,494,227	21,383,845
$10,000 under $15,000	13,197	79,009	* 1,724	* 1,101	37,605	264,452	68,266	741,797	721,418	2,325,971	1,881,111	27,839,239
$15,000 under $20,000	17,987	96,916	** 2,808	** 2,365	36,297	302,192	67,344	637,043	774,688	2,670,675	1,730,856	26,412,455
$20,000 under $25,000	12,008	88,645	**	**	27,637	242,615	85,322	1,003,266	698,676	2,470,683	1,448,359	23,169,036
$25,000 under $30,000	12,365	95,313	* 3,183	* 12,888	34,775	413,523	53,682	658,396	561,861	1,992,170	1,238,501	20,138,240
$30,000 under $40,000	32,028	200,986	* 1,824	* 39,331	50,219	589,943	131,786	1,515,092	892,804	3,354,530	1,944,582	31,138,749
$40,000 under $50,000	30,016	195,642	* 3	* 239	52,015	497,089	112,751	1,327,376	660,569	2,502,646	1,624,679	25,537,091
$50,000 under $75,000	75,924	719,464	2,463	7,487	94,979	1,245,223	253,654	2,802,509	1,216,312	4,556,537	3,195,656	53,022,062
$75,000 under $100,000	67,214	865,421	3,124	49,775	51,963	949,102	169,413	2,225,584	609,953	2,477,116	1,881,522	35,164,477
$100,000 under $200,000	132,063	2,472,272	11,096	83,090	66,571	1,287,533	178,854	2,917,618	473,419	2,093,333	1,854,245	38,270,289
$200,000 under $500,000	74,198	2,867,625	4,748	114,675	18,478	767,613	58,820	1,761,963	65,449	370,262	522,568	11,614,388
$500,000 under $1,000,000	21,296	1,830,603	2,395	87,587	4,966	246,624	14,678	761,072	6,153	29,052	104,049	2,474,120
$1,000,000 under $1,500,000	7,489	1,178,234	934	50,993	1,217	120,715	4,240	298,002	1,086	6,858	29,311	727,861
$1,500,000 under $2,000,000	3,655	760,213	525	48,800	736	50,520	1,803	171,552	393	2,269	13,384	336,601
$2,000,000 under $5,000,000	6,550	2,099,324	1,487	156,714	1,004	113,445	2,937	349,994	410	2,486	19,617	504,477
$5,000,000 under $10,000,000	2,182	1,570,130	655	186,145	234	34,641	877	191,544	68	338	4,946	131,813
$10,000,000 or more	1,700	3,696,514	791	507,399	171	49,875	631	256,627	15	127	3,324	92,406
Taxable returns, total	**495,030**	**18,661,960**	**34,488**	**1,372,203**	**365,403**	**5,804,172**	**1,008,038**	**15,000,930**	**4,919,437**	**18,327,781**	**15,182,325**	**256,244,699**
No adjusted gross income	279	39,683	90	85,536	98	18,044	242	72,675	* 4	* 10	1,414	27,024
$1 under $5,000	* 5,555	* 7,010	–	–	* 594	* 1,064	* 585	* 183	* 4,667	* 6,824	32,067	325,575
$5,000 under $10,000	* 6,216	* 25,967	–	–	* 2,349	* 3,930	* 3,975	* 32,997	57,828	130,048	95,752	1,164,588
$10,000 under $15,000	7,609	58,065	* 1,680	* 996	12,845	83,944	21,016	214,856	292,940	896,985	937,141	11,571,901
$15,000 under $20,000	8,780	54,563	** 1,657	** 1,798	12,129	72,329	22,117	154,582	380,213	1,215,851	979,336	12,901,620
$20,000 under $25,000	11,963	87,284	**	**	13,511	106,154	49,327	507,043	372,211	1,295,429	1,159,948	18,392,162
$25,000 under $30,000	9,353	69,771	* 2,552	* 3,931	19,977	189,913	32,830	308,585	347,770	1,211,264	1,073,035	17,512,272
$30,000 under $40,000	30,728	185,898	** 1,686	** 38,634	34,179	350,531	111,868	1,237,134	636,220	2,392,084	1,807,414	28,965,366
$40,000 under $50,000	27,077	162,952	**	**	40,955	308,866	96,920	1,110,761	550,153	2,069,861	1,555,475	24,502,124
$50,000 under $75,000	73,567	701,423	* 1,503	* 4,053	84,411	1,108,516	240,712	2,543,110	1,132,175	4,188,166	3,132,634	52,045,638
$75,000 under $100,000	66,238	830,405	* 3,075	* 30,547	51,033	891,016	166,718	2,182,318	601,241	2,431,088	1,863,133	34,823,373
$100,000 under $200,000	130,845	2,466,665	10,776	75,557	66,560	1,287,338	177,929	2,874,547	470,554	2,079,283	1,849,207	38,161,025
$200,000 under $500,000	74,011	2,860,498	4,704	97,818	18,447	766,803	58,672	1,745,096	65,343	369,803	521,450	11,591,409
$500,000 under $1,000,000	21,264	1,828,544	2,379	85,249	4,957	246,561	14,647	752,702	6,150	29,034	103,871	2,470,467
$1,000,000 or more	21,545	9,283,231	4,385	948,084	3,358	369,165	10,480	1,264,342	1,969	12,052	70,447	1,790,156
Nontaxable returns, total	**55,889**	**463,136**	**10,198**	**569,471**	**186,563**	**1,879,808**	**398,270**	**8,014,368**	**2,459,001**	**8,195,884**	**5,427,039**	**83,509,778**

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Social security benefits		Foreign earned income exclusion		Other income				Net operating loss		Gambling earnings	
	Taxable				Net income		Net loss					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)	(116)	(117)	(118)
All returns, total	**13,749,185**	**144,403,839**	**329,264**	**18,154,653**	**5,830,163**	**37,473,251**	**346,790**	**7,534,789**	**916,899**	**80,795,920**	**1,871,292**	**27,902,023**
No adjusted gross income	278	3,978	68,781	3,002,210	81,685	978,888	130,721	4,246,279	494,432	68,835,856	21,076	193,415
$1 under $5,000	16,799	43,894	51,927	2,367,590	269,719	456,380	7,249	128,175	82,867	640,445	27,915	51,780
$5,000 under $10,000	23,099	96,947	23,078	1,116,499	274,682	750,807	8,453	150,332	65,446	662,958	55,251	191,227
$10,000 under $15,000	35,244	150,266	15,383	837,996	271,627	939,649	7,972	77,531	39,452	538,458	69,601	272,748
$15,000 under $20,000	332,541	308,683	13,484	750,676	281,415	917,957	10,803	83,461	33,841	388,207	97,026	396,119
$20,000 under $25,000	1,002,101	1,510,726	11,296	665,020	250,770	808,956	12,681	83,747	22,250	344,842	84,919	343,143
$25,000 under $30,000	1,145,526	3,137,903	9,585	543,126	256,576	868,917	9,772	73,226	17,137	238,942	82,543	291,346
$30,000 under $40,000	1,942,152	9,248,264	15,891	921,338	484,296	1,344,689	14,417	101,873	24,818	421,815	167,368	658,374
$40,000 under $50,000	1,624,323	13,496,335	13,383	765,169	426,030	1,352,265	6,197	37,477	21,178	429,250	153,534	698,436
$50,000 under $75,000	3,194,456	40,602,618	24,226	1,443,808	987,620	3,350,611	28,426	241,643	41,905	1,005,149	394,720	2,523,421
$75,000 under $100,000	1,881,448	29,815,691	16,089	1,034,390	706,973	2,726,889	27,610	305,850	19,630	522,150	258,732	2,027,988
$100,000 under $200,000	1,854,214	32,493,456	30,530	2,056,528	977,488	6,378,052	43,166	557,252	25,340	1,259,079	334,983	4,895,546
$200,000 under $500,000	522,397	9,868,119	24,006	1,755,019	365,970	5,817,983	24,553	583,025	18,230	1,307,690	93,218	5,500,591
$500,000 under $1,000,000	104,047	2,102,941	6,975	540,579	103,155	2,827,262	7,590	266,355	5,683	885,784	18,595	2,443,989
$1,000,000 under $1,500,000	29,298	618,624	2,005	153,207	33,945	1,452,682	2,744	119,412	1,609	401,070	5,298	1,561,531
$1,500,000 under $2,000,000	13,384	286,109	824	61,706	15,890	982,496	1,242	77,603	819	288,117	2,004	520,432
$2,000,000 under $5,000,000	19,611	428,718	1,308	101,266	27,321	2,410,463	2,048	202,251	1,420	809,406	3,212	1,655,995
$5,000,000 under $10,000,000	4,942	112,035	293	22,930	8,454	1,177,593	636	64,088	490	406,251	807	846,051
$10,000,000 or more	3,323	78,531	200	15,598	6,546	1,930,710	509	135,209	354	1,410,450	490	2,829,890
Taxable returns, total	**13,032,699**	**141,210,318**	**141,424**	**8,787,933**	**4,640,142**	**32,382,202**	**176,911**	**2,708,461**	**179,578**	**17,745,547**	**1,530,881**	**25,067,641**
No adjusted gross income	* 9	* 290	**	**	844	96,986	52	3,465	6,001	9,163,035	47	5,760
$1 under $5,000	* 1,645	* 7,703	** 14	** 207	71,184	90,875	–	–	* 848	* 26,834	* 650	* 650
$5,000 under $10,000	* 4,449	* 9,062	1,317	53,534	72,383	198,716	* 794	* 6,815	* 1,949	* 12,186	* 2,946	* 13,923
$10,000 under $15,000	20,811	91,465	4,848	245,795	125,841	330,010	2,819	19,754	10,046	74,545	25,908	101,238
$15,000 under $20,000	248,598	213,599	6,329	298,808	152,097	449,012	7,266	46,054	5,543	62,313	43,840	158,184
$20,000 under $25,000	846,501	1,268,406	5,796	328,930	157,307	459,011	9,074	42,527	10,544	135,452	47,735	168,939
$25,000 under $30,000	1,011,264	2,794,434	6,077	330,129	167,901	520,332	6,559	46,265	7,783	121,679	52,438	166,860
$30,000 under $40,000	1,804,984	8,638,060	11,021	640,445	373,943	884,751	10,073	82,998	17,858	202,259	137,317	500,008
$40,000 under $50,000	1,555,179	12,954,000	10,771	601,628	363,573	1,074,649	5,393	28,679	13,042	241,967	135,057	572,391
$50,000 under $75,000	3,131,435	39,836,228	20,545	1,164,142	929,772	2,961,484	27,318	223,418	35,717	806,149	375,011	2,158,049
$75,000 under $100,000	1,863,059	29,526,327	14,267	891,483	694,506	2,676,172	27,095	296,026	18,503	436,846	254,866	1,906,306
$100,000 under $200,000	1,849,182	32,400,692	27,326	1,800,792	970,876	6,155,989	41,972	536,597	23,722	1,090,099	332,864	4,804,371
$200,000 under $500,000	521,290	9,848,721	22,145	1,592,329	364,999	5,776,248	23,937	559,449	17,832	1,260,004	92,206	5,221,543
$500,000 under $1,000,000	103,869	2,099,837	6,571	505,179	102,918	2,811,413	7,457	259,998	5,564	853,140	18,329	2,268,943
$1,000,000 or more	70,425	1,521,495	4,395	334,531	91,997	7,896,553	7,102	556,417	4,626	3,259,040	11,669	7,020,476
Nontaxable returns, total	**716,486**	**3,193,521**	**187,840**	**9,366,720**	**1,190,021**	**5,091,049**	**169,879**	**4,826,329**	**737,320**	**63,050,372**	**340,411**	**2,834,382**

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Statutory adjustments											
	Total		IRA Payments		Jury duty pay deduction		Student loan interest deduction		Educator expenses deduction		Tuition and fees deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(119)	(120)	(121)	(122)	(123)	(124)	(125)	(126)	(127)	(128)	(129)	(130)
All returns, total	**33,980,524**	**113,845,357**	**3,230,531**	**12,533,506**	**57,259**	**51,814**	**8,540,900**	**6,156,865**	**3,166,931**	**805,568**	**4,015,828**	**9,620,615**
No adjusted gross income	455,479	1,827,372	20,939	86,027	* 95	* 235	77,023	72,642	5,526	1,154	127,484	416,689
$1 under $5,000	1,586,375	1,724,535	36,391	94,633	–	–	133,700	84,755	3,992	979	234,206	699,039
$5,000 under $10,000	2,276,634	2,584,878	41,162	120,235	* 2,007	* 15,149	243,623	134,471	23,359	4,941	282,327	786,948
$10,000 under $15,000	2,299,646	2,856,100	87,281	209,669	–	–	343,137	209,340	49,808	10,743	138,667	318,554
$15,000 under $20,000	1,860,283	3,059,741	126,468	341,010	* 1,038	* 34	394,424	259,119	59,968	14,089	144,163	341,712
$20,000 under $25,000	1,708,504	2,934,907	182,502	456,664	* 1,990	* 72	559,968	377,386	55,944	12,677	104,552	230,213
$25,000 under $30,000	1,714,321	3,325,173	176,738	570,077	* 3,664	* 3,138	598,147	409,125	95,028	22,698	107,923	258,161
$30,000 under $40,000	3,120,636	6,106,681	363,347	1,141,452	* 3,784	* 3,165	1,155,277	869,677	302,129	70,596	171,589	377,163
$40,000 under $50,000	2,868,416	6,544,944	399,775	1,435,270	10,239	4,179	1,028,151	773,779	274,310	66,922	257,031	613,943
$50,000 under $75,000	5,595,967	13,930,682	696,104	2,646,168	16,012	15,412	1,873,978	1,310,876	712,060	179,617	655,985	1,356,459
$75,000 under $100,000	3,834,167	11,625,670	401,749	1,703,855	7,731	5,687	1,247,055	1,104,494	687,777	180,642	466,696	1,072,235
$100,000 under $200,000	4,892,291	25,086,656	548,798	2,655,946	10,688	4,678	886,415	551,200	790,879	214,373	1,325,203	3,149,499
$200,000 under $500,000	1,267,263	17,718,061	115,030	817,670	–	–	–	–	** 106,153	** 26,138	–	–
$500,000 under $1,000,000	298,496	6,878,185	21,569	160,483	–	–	–	–	**	**	–	–
$1,000,000 under $1,500,000	81,600	2,230,584	6,001	43,941	–	–	–	–	**	**	–	–
$1,500,000 under $2,000,000	36,587	1,160,647	2,360	17,807	–	–	–	–	**	**	–	–
$2,000,000 under $5,000,000	58,180	2,195,601	3,325	25,341	* 10	* 66	–	–	**	**	–	–
$5,000,000 under $10,000,000	15,304	809,364	687	5,033	–	–	–	–	**	**	–	–
$10,000,000 or more	10,376	1,245,577	306	2,226	–	–	–	–	**	**	–	–
Taxable returns, total	**24,232,679**	**96,524,656**	**2,741,689**	**11,097,958**	**51,356**	**33,252**	**7,026,373**	**5,159,879**	**2,902,670**	**743,111**	**2,854,373**	**6,472,777**
No adjusted gross income	2,197	22,722	195	1,362	**	**	325	43	* 3	* 1	* 306	* 962
$1 under $5,000	26,330	6,414	* 1,949	* 1,998	–	–	* 137	* 47	–	–	–	–
$5,000 under $10,000	194,011	175,695	* 5,294	* 13,008	–	–	25,429	21,761	* 1,657	* 414	10,876	34,288
$10,000 under $15,000	708,921	756,027	19,065	42,828	–	–	194,680	126,734	20,712	4,399	33,918	71,777
$15,000 under $20,000	821,106	1,309,031	69,336	205,570	** 1,008	** 32	238,528	156,976	38,746	9,197	37,806	76,506
$20,000 under $25,000	984,167	1,522,831	105,485	257,223	–	–	391,688	254,005	36,367	8,309	24,871	54,568
$25,000 under $30,000	1,080,677	1,794,415	112,485	327,363	* 2,657	* 3,117	453,295	325,372	70,088	16,810	30,737	67,005
$30,000 under $40,000	2,391,144	4,443,235	309,128	983,320	* 3,014	* 85	949,602	714,414	253,124	58,902	102,034	220,344
$40,000 under $50,000	2,424,571	5,363,531	354,687	1,297,089	10,239	4,179	908,813	705,266	234,423	56,214	218,896	506,320
$50,000 under $75,000	5,188,241	12,653,303	667,736	2,554,051	16,012	15,412	1,744,627	1,210,620	673,520	170,024	614,842	1,248,596
$75,000 under $100,000	3,773,286	11,312,889	399,060	1,689,955	7,731	5,687	1,233,807	1,094,267	679,061	178,848	457,991	1,050,232
$100,000 under $200,000	4,872,660	24,963,418	548,199	2,652,972	10,684	4,674	885,441	550,371	788,844	213,864	1,322,095	3,142,180
$200,000 under $500,000	1,265,419	17,692,707	114,875	816,730	–	–	–	–	** 106,126	** 26,130	–	–
$500,000 under $1,000,000	298,136	6,872,582	21,534	160,272	–	–	–	–	**	**	–	–
$1,000,000 or more	201,814	7,635,855	12,660	94,217	* 10	* 66	–	–	**	**	–	–
Nontaxable returns, total	**9,747,845**	**17,320,701**	**488,842**	**1,435,549**	**5,903**	**18,561**	**1,514,527**	**996,986**	**264,261**	**62,457**	**1,161,454**	**3,147,838**

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Statutory adjustments--continued											
	Domestic production activities deduction		Health savings account deduction		Deduction for self-employment tax		Moving expense adjustment		Payments to a Keogh plan		Penalty on early withdrawal of savings	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(131)	(132)	(133)	(134)	(135)	(136)	(137)	(138)	(139)	(140)	(141)	(142)
All returns, total	**421,128**	**3,303,121**	**358,968**	**868,560**	**17,074,708**	**23,925,376**	**1,082,576**	**3,159,251**	**1,228,299**	**22,011,551**	**1,164,171**	**429,850**
No adjusted gross income	1,025	411	3,730	10,759	227,919	213,472	13,481	87,496	9,635	67,419	21,892	14,465
$1 under $5,000	2,242	203	* 349	* 1,736	1,223,200	297,289	18,464	35,856	3,953	2,077	34,101	26,103
$5,000 under $10,000	3,421	540	* 3,704	* 6,404	1,751,376	864,783	20,545	34,093	8,002	30,244	59,166	15,887
$10,000 under $15,000	2,390	676	* 5,083	* 8,364	1,714,841	1,226,984	44,573	75,530	7,993	40,565	90,358	24,959
$15,000 under $20,000	4,748	1,958	4,515	7,232	1,154,425	974,931	64,198	133,324	14,128	42,227	80,574	31,503
$20,000 under $25,000	3,501	1,405	5,781	8,853	850,630	824,875	74,710	126,452	12,848	54,096	61,040	13,079
$25,000 under $30,000	6,580	3,474	15,487	22,594	776,607	866,337	78,533	149,888	10,845	53,050	57,773	25,335
$30,000 under $40,000	18,288	12,362	21,722	37,152	1,300,938	1,448,066	118,175	255,521	40,041	251,126	141,970	43,913
$40,000 under $50,000	18,263	13,260	29,860	54,677	1,138,138	1,357,125	100,975	212,928	43,898	302,760	94,724	25,697
$50,000 under $75,000	43,374	36,257	61,214	122,495	2,175,980	2,959,904	194,803	569,405	113,611	902,348	179,957	82,273
$75,000 under $100,000	41,482	57,177	59,402	139,124	1,504,737	2,536,569	136,465	428,768	146,429	1,483,423	136,173	32,829
$100,000 under $200,000	94,364	183,168	81,454	211,203	2,035,499	4,667,949	171,967	805,776	401,011	6,303,931	156,793	54,550
$200,000 under $500,000	91,056	383,359	48,082	168,984	866,406	3,180,213	39,785	194,901	292,640	7,509,508	38,257	23,569
$500,000 under $1,000,000	41,789	395,980	13,018	48,066	215,205	1,141,943	4,340	33,351	80,194	3,005,840	7,313	6,289
$1,000,000 under $1,500,000	15,423	259,110	2,658	9,789	55,824	372,818	858	7,448	19,317	843,282	1,593	3,300
$1,500,000 under $2,000,000	8,922	207,243	1,193	4,543	25,190	198,935	223	2,545	8,283	392,349	851	1,305
$2,000,000 under $5,000,000	15,610	605,777	1,381	5,312	40,088	450,704	391	4,721	11,372	550,107	1,115	2,673
$5,000,000 under $10,000,000	4,914	375,586	242	952	10,478	136,545	69	883	2,543	109,915	323	619
$10,000,000 or more	3,734	765,175	92	319	7,226	205,933	20	363	1,556	67,283	199	1,502
Taxable returns, total	**389,683**	**3,279,336**	**317,218**	**776,323**	**10,207,763**	**18,583,802**	**901,837**	**2,701,098**	**1,168,853**	**21,644,970**	**900,433**	**327,399**
No adjusted gross income	–	–	**	**	1,793	8,582	–	–	69	2,406	71	40
$1 under $5,000	* 1,300	* 87	–	–	21,081	1,791	–	–	–	–	* 2,000	* 207
$5,000 under $10,000	* 745	* 186	–	–	143,404	47,149	* 4,958	* 5,048	* 1,086	* 1,151	10,655	548
$10,000 under $15,000	* 673	* 172	** 1,277	** 648	411,784	254,526	32,045	46,575	* 2,462	* 6,535	41,032	8,441
$15,000 under $20,000	* 1,263	* 740	* 1,956	* 3,792	411,641	335,259	37,915	71,192	8,276	30,963	42,153	20,750
$20,000 under $25,000	* 1,897	* 982	* 3,930	* 3,849	412,395	352,966	58,813	91,874	6,837	27,977	41,255	8,497
$25,000 under $30,000	3,609	1,110	10,237	10,283	394,837	379,320	54,783	98,856	8,081	38,550	44,617	21,462
$30,000 under $40,000	13,391	8,736	14,153	23,212	864,588	879,129	95,334	201,470	34,260	208,293	123,961	41,537
$40,000 under $50,000	11,844	8,279	26,088	46,268	890,970	1,016,381	80,010	175,469	38,976	260,569	82,532	23,565
$50,000 under $75,000	40,499	32,488	54,532	107,737	1,943,912	2,558,345	185,855	544,361	106,689	829,058	171,796	76,291
$75,000 under $100,000	39,333	54,568	57,555	134,047	1,469,909	2,445,856	135,384	422,588	146,115	1,477,926	134,497	32,470
$100,000 under $200,000	93,880	181,748	80,904	208,808	2,022,621	4,623,821	171,127	800,208	400,319	6,290,496	156,324	54,434
$200,000 under $500,000	90,922	382,843	48,017	168,748	865,192	3,175,790	39,730	194,314	292,456	7,503,681	38,170	23,499
$500,000 under $1,000,000	41,756	395,690	13,012	48,041	214,972	1,141,087	4,330	33,265	80,170	3,004,867	7,298	6,269
$1,000,000 or more	48,569	2,211,707	5,556	20,889	138,664	1,363,799	1,554	15,878	43,057	1,962,499	4,072	9,389
Nontaxable returns, total	**31,445**	**23,785**	**41,750**	**92,237**	**6,866,945**	**5,341,573**	**180,739**	**458,153**	**59,446**	**366,581**	**263,737**	**102,451**

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Statutory adjustments--continued										Basic standard deduction	
	Alimony paid		Self-employed health insurance deduction		Medical savings account deduction		Certain business expenses of reservist, performing artist, etc.		Other adjustments [1]			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(143)	(144)	(145)	(146)	(147)	(148)	(149)	(150)	(151)	(152)	(153)	(154)
All returns, total	**585,286**	**9,115,764**	**3,804,190**	**20,302,533**	**18,668**	**35,106**	**120,468**	**368,258**	**137,296**	**1,073,988**	**86,583,732**	**590,487,763**
No adjusted gross income	13,531	307,935	104,610	438,871	* 8	* 26	* 1,298	* 1,373	2,630	107,257	–	–
$1 under $5,000	8,726	51,689	119,985	411,619	–	–	* 2,652	* 5,054	* 3,334	* 12,288	11,287,057	50,412,459
$5,000 under $10,000	8,124	80,288	135,788	448,860	–	–	* 4,637	* 37,757	* 2,146	* 2,084	11,207,720	67,067,099
$10,000 under $15,000	8,397	69,058	167,670	602,976	* 952	* 1,426	* 7,333	* 33,265	6,525	22,288	10,682,206	69,130,018
$15,000 under $20,000	21,164	190,541	195,279	694,235	* 650	* 1,624	8,230	16,267	* 7,663	* 9,930	9,661,065	65,286,068
$20,000 under $25,000	14,693	122,351	179,617	664,439	* 1,639	* 1,957	* 2,215	* 6,514	9,333	32,217	8,375,654	58,143,708
$25,000 under $30,000	18,272	162,409	169,056	718,556	–	–	10,308	30,768	6,114	28,008	6,927,002	48,708,543
$30,000 under $40,000	31,161	262,387	301,793	1,259,992	* 1,563	* 1,399	10,664	43,831	9,165	26,266	9,784,646	71,212,906
$40,000 under $50,000	58,117	458,978	273,173	1,148,803	* 2,648	* 2,211	* 6,790	* 20,228	16,592	51,366	6,140,831	48,025,710
$50,000 under $75,000	115,927	1,035,144	520,794	2,475,857	** 8,384	** 18,191	23,451	64,795	23,239	160,822	8,032,741	69,792,769
$75,000 under $100,000	79,785	734,879	372,950	2,040,292	**	**	16,077	33,745	13,648	63,430	2,842,375	27,071,979
$100,000 under $200,000	122,011	1,917,502	656,211	4,018,607	**	**	24,035	63,567	26,727	269,501	1,431,428	13,704,040
$200,000 under $500,000	59,634	1,890,043	405,651	3,357,795	** 2,826	** 8,273	2,744	11,044	** 9,481	** 212,964	159,232	1,454,685
$500,000 under $1,000,000	15,078	831,737	119,952	1,165,142	**	**	* 8	* 14	**	**	36,460	336,034
$1,000,000 under $1,500,000	4,084	318,308	34,349	353,958	**	**	* 11	* 10	301	8,260	8,145	76,136
$1,500,000 under $2,000,000	2,000	149,551	15,415	159,332	**	**	–	–	145	23,756	2,928	27,189
$2,000,000 under $5,000,000	3,203	283,024	22,841	240,699	**	**	* 14	* 27	177	19,382	3,396	30,834
$5,000,000 under $10,000,000	793	107,417	5,585	60,542	**	**	–	–	47	9,691	627	5,653
$10,000,000 or more	589	142,524	3,473	41,959	**	**	–	–	27	14,479	219	1,934
Taxable returns, total	**523,398**	**8,288,586**	**2,855,279**	**16,135,383**	**15,470**	**28,769**	**100,504**	**297,556**	**107,957**	**886,222**	**50,322,469**	**341,304,085**
No adjusted gross income	91	5,559	441	3,754	–	–	–	–	–	–	–	–
$1 under $5,000	–	–	* 137	* 2,283	–	–	–	–	–	–	850,630	1,279,223
$5,000 under $10,000	* 650	* 7,806	10,146	24,496	–	–	* 1,000	* 17,926	* 2,007	* 1,914	3,341,240	16,464,377
$10,000 under $15,000	* 2,372	* 18,620	53,201	148,020	–	–	* 5,644	* 22,584	* 1,925	* 4,181	5,500,835	28,165,795
$15,000 under $20,000	16,226	112,100	85,756	274,730	–	–	* 5,656	* 8,456	* 4,999	* 2,773	5,196,297	28,831,530
$20,000 under $25,000	12,190	110,618	105,927	329,712	* 1,639	* 1,957	* 1,007	* 2,792	* 3,342	* 17,213	5,027,202	30,826,293
$25,000 under $30,000	16,100	120,309	95,131	345,058	–	–	* 6,637	* 27,009	* 3,455	* 11,234	4,650,831	29,352,973
$30,000 under $40,000	29,419	224,785	215,044	819,717	* 631	* 107	* 8,659	* 32,365	* 6,526	* 25,454	7,885,680	53,692,590
$40,000 under $50,000	46,605	351,461	218,446	851,265	* 2,648	* 2,211	* 5,792	* 14,690	12,918	42,546	5,559,127	42,264,781
$50,000 under $75,000	113,551	1,005,189	455,133	2,067,641	** 7,731	** 16,230	23,219	63,327	22,261	159,778	7,838,066	67,834,232
$75,000 under $100,000	79,123	707,516	358,437	1,914,190	**	**	16,077	33,745	13,635	63,304	2,833,732	26,986,174
$100,000 under $200,000	121,886	1,911,947	650,917	3,981,217	**	**	24,035	63,567	26,721	269,436	1,429,475	13,687,609
$200,000 under $500,000	59,486	1,883,392	405,096	3,353,076	** 2,821	** 8,264	2,744	11,044	** 9,470	** 212,820	157,969	1,444,046
$500,000 under $1,000,000	15,053	830,131	119,859	1,164,295	**	**	* 8	* 14	**	**	36,196	333,793
$1,000,000 or more	10,647	999,153	81,606	855,928	**	**	* 25	* 37	697	75,568	15,190	140,670
Nontaxable returns, total	**61,888**	**827,178**	**948,912**	**4,167,150**	**3,198**	**6,337**	**19,964**	**70,702**	**29,339**	**187,765**	**36,261,263**	**249,183,678**

Footnotes at end of table.

Table 1.4--All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Size of adjusted gross income	Additional standard deduction		Total itemized deductions		Exemptions		Taxable income		Alternative minimum tax		Income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(155)	(156)	(157)	(158)	(159)	(160)	(161)	(162)	(163)	(164)	(165)	(166)
All returns, total	**11,261,327**	**16,976,422**	**49,123,555**	**1,229,237,288**	**275,256,944**	**891,911,609**	**106,667,402**	**5,579,145,443**	**3,966,540**	**21,564,586**	**106,688,255**	**1,082,855,370**
No adjusted gross income	--	--	--	--	4,164,681	13,701,043	--	--	6,751	184,922	8,711	185,136
$1 under $5,000	893,594	1,257,691	345,274	5,468,507	9,430,166	30,992,750	880,556	964,764	* 890	* 2,278	875,009	92,406
$5,000 under $10,000	1,266,667	1,777,928	577,704	8,464,825	14,789,260	48,679,895	3,931,639	7,022,667	2,336	316	3,932,334	701,254
$10,000 under $15,000	1,529,092	2,226,522	1,029,474	15,044,424	19,526,046	64,289,348	6,631,856	27,161,757	850	1,138	6,635,470	2,710,778
$15,000 under $20,000	1,378,923	2,074,666	1,276,531	19,170,566	19,703,873	64,891,816	7,958,803	54,399,481	2,202	3,649	7,960,548	5,795,585
$20,000 under $25,000	971,361	1,502,477	1,536,608	21,996,060	19,004,738	62,615,725	8,830,458	84,959,346	2,668	2,880	8,828,936	9,784,380
$25,000 under $30,000	752,950	1,158,271	1,821,779	26,575,063	17,047,316	56,170,790	8,252,297	111,592,271	1,513	11,746	8,251,473	13,339,066
$30,000 under $40,000	1,102,722	1,676,792	4,363,179	65,217,946	28,203,110	92,969,386	13,733,631	265,074,215	3,811	11,993	13,732,197	32,980,877
$40,000 under $50,000	825,340	1,253,497	4,546,362	71,839,198	22,665,089	74,720,994	10,511,657	284,972,064	7,815	17,190	10,512,872	38,120,185
$50,000 under $75,000	1,366,282	2,104,209	10,818,922	196,833,604	44,823,495	147,796,871	18,708,802	743,787,518	87,680	105,899	18,712,718	107,459,776
$75,000 under $100,000	645,871	1,072,252	8,297,996	174,668,813	29,937,280	98,728,598	11,102,730	660,346,861	129,240	180,430	11,103,860	99,778,247
$100,000 under $200,000	454,446	751,375	10,655,930	299,344,593	34,219,151	112,610,244	12,067,176	1,181,233,605	1,096,666	2,128,778	12,073,036	216,003,453
$200,000 under $500,000	59,142	96,803	2,962,237	141,755,680	9,008,457	20,812,455	3,116,212	731,857,821	2,242,146	10,982,445	3,118,500	179,370,453
$500,000 under $1,000,000	10,281	16,538	552,797	49,648,717	1,727,892	1,852,070	588,218	348,055,997	** 381,972	** 7,930,923	588,799	95,958,665
$1,000,000 under $1,500,000	2,446	3,831	142,284	20,077,961	432,991	465,721	150,188	161,556,432	**	**	150,295	45,067,137
$1,500,000 under $2,000,000	1,060	1,782	61,068	11,936,247	181,815	195,296	63,844	98,151,682	**	**	63,955	27,349,574
$2,000,000 under $5,000,000	934	1,460	95,326	30,051,854	275,826	294,709	98,492	265,082,448	**	**	98,640	73,466,456
$5,000,000 under $10,000,000	159	240	24,348	17,653,722	70,750	75,710	24,914	153,833,151	**	**	24,954	40,595,481
$10,000,000 or more	56	88	15,735	53,489,509	45,008	48,187	15,931	399,093,365	**	**	15,949	94,096,462
Taxable returns, total	**7,833,730**	**11,765,025**	**42,402,082**	**1,073,985,426**	**174,414,838**	**559,830,041**	**92,713,707**	**5,460,467,126**	**3,956,902**	**21,556,222**	**92,740,927**	**1,069,743,976**
No adjusted gross income	--	--	--	--	13,047	42,964	--	--	6,293	184,067	6,301	184,070
$1 under $5,000	* 3,680	* 4,598	6,158	13,637	* 2,517	* 8,306	856,524	959,903	* 264	* 1,713	856,788	91,331
$5,000 under $10,000	56,117	70,437	26,257	93,580	695,220	2,286,609	3,366,091	6,593,825	* 2,326	* 313	3,368,135	658,485
$10,000 under $15,000	875,514	1,105,720	275,037	2,087,265	4,859,576	15,998,745	5,774,668	24,791,811	* 846	* 1,136	5,775,871	2,477,322
$15,000 under $20,000	838,694	1,122,560	524,163	4,683,478	5,964,742	19,646,421	5,718,790	46,091,775	2,065	3,514	5,720,555	4,947,131
$20,000 under $25,000	901,870	1,405,950	825,885	8,590,341	7,124,397	23,466,929	5,852,412	67,420,436	2,668	2,880	5,853,087	7,989,100
$25,000 under $30,000	722,832	1,121,051	1,125,404	12,647,336	7,505,864	24,731,792	5,777,020	91,166,552	1,513	11,746	5,777,215	11,220,705
$30,000 under $40,000	1,077,084	1,643,324	3,266,548	41,131,313	16,747,619	55,205,533	11,155,559	237,763,671	3,408	11,785	11,156,227	30,089,684
$40,000 under $50,000	820,324	1,246,376	3,770,537	52,740,328	16,719,404	55,116,559	9,329,077	267,238,142	7,808	16,846	9,329,664	36,207,991
$50,000 under $75,000	1,363,451	2,100,975	9,976,544	169,793,195	39,856,386	131,415,083	17,814,551	726,336,744	83,801	103,359	17,817,863	105,467,659
$75,000 under $100,000	645,841	1,072,204	8,147,439	166,368,784	29,167,419	96,192,421	10,979,416	656,902,758	127,729	180,057	10,981,207	99,378,746
$100,000 under $200,000	454,357	751,248	10,610,868	294,319,827	34,037,385	112,013,383	12,036,255	1,180,048,005	1,094,108	2,125,489	12,041,382	215,804,210
$200,000 under $500,000	59,078	96,712	2,957,262	140,429,335	8,992,096	20,778,439	3,112,958	731,077,382	2,242,107	10,982,395	3,115,244	179,161,402
$500,000 under $1,000,000	10,251	16,495	551,845	49,119,305	1,724,667	1,849,018	587,466	347,608,241	** 381,965	** 7,930,923	588,046	95,831,066
$1,000,000 or more	4,637	7,375	338,135	131,967,702	1,004,497	1,077,839	352,918	1,076,467,881	**	**	353,341	280,235,073
Nontaxable returns, total	**3,427,598**	**5,211,397**	**6,721,474**	**155,251,862**	**100,842,106**	**332,081,568**	**13,953,695**	**118,678,317**	**9,638**	**8,364**	**13,947,327**	**13,111,394**

[1] Other adjustments does not include the foreign housing adjustment.

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers

NOTE: Detail may not add to totals because of rounding

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest		Tax-exempt interest		Ordinary dividends		Qualified dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	**0.01**	**0.09**	**0.10**	**0.16**	**0.24**	**0.62**	**0.93**	**1.17**	**0.39**	**0.65**	**0.43**	**0.78**
No adjusted gross income	1.44	1.01	2.55	2.77	1.98	2.30	6.56	6.64	2.60	2.96	2.89	3.62
$1 under $5,000	0.81	0.93	0.94	1.24	1.72	4.22	8.74	19.11	2.34	4.03	2.57	4.79
$5,000 under $10,000	0.81	0.83	0.93	1.02	1.73	3.94	8.04	21.69	2.53	4.92	2.80	5.86
$10,000 under $15,000	0.82	0.82	0.95	1.01	1.65	3.60	7.11	19.10	2.51	4.62	2.76	5.38
$15,000 under $20,000	0.85	0.86	0.96	1.00	1.66	3.73	7.57	22.61	2.51	4.84	2.81	6.04
$20,000 under $25,000	0.91	0.91	0.99	1.02	1.73	4.16	7.28	17.75	2.66	5.29	2.95	6.50
$25,000 under $30,000	0.97	0.98	1.05	1.09	1.74	4.51	7.51	14.87	2.70	5.50	2.98	6.73
$30,000 under $40,000	0.74	0.74	0.79	0.82	1.24	3.41	5.28	13.30	1.94	4.22	2.16	4.92
$40,000 under $50,000	0.77	0.77	0.84	0.88	1.21	3.55	4.84	11.29	1.88	4.24	2.07	5.08
$50,000 under $75,000	0.50	0.51	0.55	0.59	0.75	2.52	2.98	6.76	1.17	2.90	1.29	3.61
$75,000 under $100,000	0.71	0.71	0.78	0.82	0.88	3.01	3.20	6.57	1.31	3.43	1.45	4.20
$100,000 under $200,000	0.58	0.56	0.64	0.68	0.67	2.33	1.96	3.99	0.90	2.41	0.97	2.95
$200,000 under $500,000	0.69	0.64	0.79	0.88	0.72	2.07	1.43	2.95	0.84	2.11	0.88	2.51
$500,000 under $1,000,000	0.94	0.84	1.10	1.30	0.95	2.12	1.44	2.63	1.03	2.45	1.07	2.93
$1,000,000 under $1,500,000	1.15	1.10	1.33	1.74	1.16	2.28	1.56	2.58	1.22	2.78	1.26	3.33
$1,500,000 under $2,000,000	0.86	0.86	1.00	1.43	0.87	1.97	1.15	2.59	0.91	2.42	0.94	2.89
$2,000,000 under $5,000,000	0.99	1.11	1.21	0.84	0.99	0.97	0.62	1.25	0.52	1.30	0.53	1.57
$5,000,000 under $10,000,000	0.54	0.44	0.61	0.86	0.54	0.63	0.61	0.59	0.55	1.08	0.56	1.32
$10,000,000 or more	0.02	0.01	0.02	0.01	0.02	0.01	0.03	0.07	0.02	--	0.02	--
Taxable returns, total	**0.15**	**0.11**	**0.19**	**0.19**	**0.27**	**0.66**	**0.97**	**1.19**	**0.42**	**0.68**	**0.46**	**0.80**
No adjusted gross income	16.87	2.04	20.33	12.75	16.36	3.91	20.18	32.46	19.30	5.30	21.13	5.06
$1 under $5,000	3.15	3.43	4.74	5.63	4.01	6.87	16.17	29.15	3.86	5.90	4.05	6.87
$5,000 under $10,000	1.62	1.66	1.70	1.78	3.23	8.75	14.62	28.75	4.24	7.96	4.51	9.51
$10,000 under $15,000	1.22	1.23	1.37	1.42	2.32	4.99	9.53	24.93	3.45	6.38	3.81	7.37
$15,000 under $20,000	1.23	1.23	1.37	1.42	2.22	4.92	9.94	35.13	3.27	6.10	3.65	7.33
$20,000 under $25,000	1.21	1.22	1.34	1.40	2.06	4.65	8.32	21.21	3.05	5.89	3.37	7.41
$25,000 under $30,000	1.23	1.23	1.34	1.39	2.00	4.92	8.34	16.94	3.01	6.02	3.33	7.35
$30,000 under $40,000	0.85	0.86	0.92	0.96	1.36	3.62	5.79	15.41	2.10	4.56	2.34	5.32
$40,000 under $50,000	0.85	0.85	0.92	0.97	1.30	3.71	5.16	11.58	1.99	4.47	2.18	5.36
$50,000 under $75,000	0.53	0.53	0.58	0.62	0.77	2.57	3.05	7.16	1.20	2.97	1.32	3.72
$75,000 under $100,000	0.72	0.72	0.78	0.83	0.89	3.05	3.24	6.81	1.33	3.47	1.46	4.22
$100,000 under $200,000	0.58	0.56	0.64	0.68	0.67	2.35	1.96	4.06	0.90	2.43	0.98	2.97
$200,000 under $500,000	0.69	0.64	0.79	0.88	0.72	2.09	1.44	2.97	0.84	2.12	0.89	2.53
$500,000 under $1,000,000	0.95	0.84	1.10	1.31	0.96	2.14	1.44	2.65	1.03	2.46	1.07	2.95
$1,000,000 or more	0.54	0.31	0.65	0.48	0.54	0.37	0.61	0.58	0.51	0.51	0.53	0.62
Nontaxable returns, total	**0.31**	**0.62**	**0.39**	**0.59**	**0.79**	**1.76**	**3.47**	**5.74**	**1.23**	**2.52**	**1.38**	**3.30**

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	State income tax refunds		Alimony received		Business or profession				Capital gain distributions		Sales of capital assets	
					Net income		Net loss				Taxable net gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	**0.50**	**0.70**	**3.85**	**5.69**	**0.35**	**1.18**	**0.96**	**1.42**	**1.31**	**3.63**	**0.62**	**0.36**
No adjusted gross income	6.55	8.86	53.11	53.22	4.16	4.62	2.56	3.17	13.17	11.92	4.45	2.22
$1 under $5,000	9.09	15.63	22.93	30.35	2.12	3.22	6.31	10.70	5.23	7.21	3.85	10.82
$5,000 under $10,000	7.43	14.37	16.62	18.85	1.86	2.26	5.98	11.87	6.60	10.72	3.91	8.50
$10,000 under $15,000	5.52	9.66	12.60	14.19	1.91	2.26	5.31	9.80	6.41	12.09	3.97	5.95
$15,000 under $20,000	4.88	7.53	13.59	16.33	2.38	3.01	5.15	7.51	6.61	12.80	4.16	7.95
$20,000 under $25,000	4.20	6.28	13.17	15.99	2.78	3.66	5.26	7.56	7.25	15.12	4.34	7.50
$25,000 under $30,000	3.73	5.42	13.40	16.96	3.00	4.00	5.36	7.91	7.13	15.25	4.24	6.92
$30,000 under $40,000	2.20	4.12	10.35	12.81	2.25	3.34	3.86	6.13	5.04	11.29	3.08	5.14
$40,000 under $50,000	2.01	3.25	11.63	14.86	2.38	3.76	4.01	6.11	4.76	12.21	2.97	4.97
$50,000 under $75,000	1.17	1.82	9.44	11.52	1.69	2.77	2.60	4.61	3.19	6.81	1.87	3.12
$75,000 under $100,000	1.31	2.00	15.47	19.08	2.08	3.32	3.49	5.67	3.69	8.16	2.07	3.20
$100,000 under $200,000	1.05	1.72	15.89	18.36	1.60	2.21	2.90	4.38	3.06	8.01	1.36	2.00
$200,000 under $500,000	1.50	2.50	21.44	25.34	1.70	2.17	3.42	5.18	3.79	20.62	1.13	1.73
$500,000 under $1,000,000	1.82	3.32	26.13	39.39	2.23	2.96	4.11	5.29	6.57	13.98	1.25	1.75
$1,000,000 under $1,500,000	1.95	3.71	33.45	42.38	2.71	3.65	4.49	5.84	9.39	18.88	1.41	1.93
$1,500,000 under $2,000,000	1.48	5.73	28.30	55.04	2.29	4.20	3.78	6.52	8.08	18.43	1.06	1.56
$2,000,000 under $5,000,000	0.83	1.55	16.23	31.03	4.77	30.09	2.05	2.83	6.67	13.82	1.24	0.74
$5,000,000 under $10,000,000	0.78	1.23	19.00	73.10	1.30	2.40	1.69	1.01	8.21	5.06	0.58	0.60
$10,000,000 or more	0.04	–	–	–	0.13	1.51	–	–	–	–	–	–
Taxable returns, total	**0.53**	**0.72**	**4.53**	**6.34**	**0.63**	**1.48**	**1.21**	**1.74**	**1.40**	**3.83**	**0.66**	**0.36**
No adjusted gross income	22.97	9.40	–	–	31.09	16.16	25.66	3.76	83.51	53.29	15.43	2.76
$1 under $5,000	45.70	68.74	–	–	18.69	21.83	57.44	62.62	6.78	8.74	5.27	7.55
$5,000 under $10,000	26.01	31.67	99.92	99.92	7.17	9.85	18.03	29.71	9.55	15.89	5.78	7.38
$10,000 under $15,000	10.87	21.91	18.22	19.62	4.15	5.13	9.42	13.86	8.15	14.86	5.30	7.77
$15,000 under $20,000	7.32	10.80	17.25	20.00	4.10	5.33	8.77	12.93	8.16	16.53	5.38	7.70
$20,000 under $25,000	5.56	7.76	17.80	22.21	4.04	5.51	7.53	11.28	8.31	17.45	4.90	7.40
$25,000 under $30,000	4.69	6.88	18.86	23.50	4.31	6.08	7.09	10.98	7.90	16.35	4.75	7.46
$30,000 under $40,000	2.49	4.01	11.42	13.89	2.81	4.41	4.62	7.35	5.32	10.70	3.41	5.26
$40,000 under $50,000	2.20	3.61	11.88	15.20	2.73	4.38	4.51	6.90	5.03	12.79	3.17	5.34
$50,000 under $75,000	1.22	1.87	9.44	11.54	1.81	2.99	2.74	4.85	3.23	6.91	1.93	3.26
$75,000 under $100,000	1.33	2.02	15.67	19.47	2.11	3.38	3.55	5.85	3.70	8.18	2.10	3.27
$100,000 under $200,000	1.06	1.72	16.04	18.67	1.61	2.22	2.91	4.41	3.06	8.02	1.37	2.02
$200,000 under $500,000	1.50	2.52	21.48	25.36	1.70	2.18	3.43	5.27	3.79	20.64	1.14	1.74
$500,000 under $1,000,000	1.82	3.34	26.18	39.44	2.23	2.97	4.13	5.39	6.59	14.01	1.25	1.76
$1,000,000 or more	0.81	0.91	18.05	16.89	1.81	12.61	1.97	1.30	5.94	8.70	0.66	0.25
Nontaxable returns, total	**1.87**	**3.03**	**7.34**	**10.53**	**0.72**	**1.28**	**1.83**	**2.46**	**3.79**	**7.32**	**2.05**	**2.51**

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D											
	Taxable net loss		Short-term capital gain		Short-term capital loss		Short-term loss carryover		Net short-term gain from sales of capital assets		Net short-term loss from sales of capital assets	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total	**0.82**	**0.88**	**1.04**	**1.18**	**1.02**	**1.03**	**1.55**	**1.23**	**1.04**	**1.83**	**1.27**	**1.86**
No adjusted gross income	2.56	2.70	6.65	6.48	3.77	3.03	4.35	3.27	5.80	7.74	6.60	7.62
$1 under $5,000	4.01	4.34	6.26	14.31	5.96	9.51	7.65	10.44	6.04	14.66	8.69	20.17
$5,000 under $10,000	4.67	5.00	6.94	33.30	6.65	9.50	8.87	10.61	6.87	31.04	8.60	15.11
$10,000 under $15,000	4.62	5.02	6.41	23.13	6.72	9.15	9.88	10.01	6.43	22.26	8.39	18.80
$15,000 under $20,000	4.62	4.98	7.04	17.48	6.91	7.94	10.03	10.77	6.91	17.24	8.60	6.74
$20,000 under $25,000	4.82	5.28	7.42	15.37	7.05	8.47	10.20	9.43	7.40	14.47	9.02	12.49
$25,000 under $30,000	5.08	5.60	7.01	21.69	7.11	9.79	10.52	11.36	7.04	21.25	8.81	13.17
$30,000 under $40,000	3.79	4.23	5.18	12.88	5.15	6.23	7.97	7.63	5.20	12.39	6.36	9.49
$40,000 under $50,000	3.79	4.24	4.92	11.38	5.23	6.72	8.39	9.37	4.94	20.43	6.24	9.02
$50,000 under $75,000	2.46	2.73	3.12	7.94	3.18	4.64	5.40	5.22	3.12	7.75	3.78	8.60
$75,000 under $100,000	2.71	3.00	3.44	8.45	3.53	4.80	5.72	5.46	3.46	8.33	4.24	7.93
$100,000 under $200,000	1.89	2.06	2.23	5.40	2.26	3.00	3.74	3.36	2.22	5.22	2.68	5.72
$200,000 under $500,000	1.79	1.92	1.82	4.73	1.81	2.91	2.98	3.26	1.82	4.86	2.16	5.11
$500,000 under $1,000,000	2.28	2.36	1.91	4.94	1.91	2.95	3.11	3.57	1.94	5.51	2.30	4.33
$1,000,000 under $1,500,000	2.77	2.86	2.05	5.57	2.11	3.55	3.40	4.41	2.16	7.13	2.46	4.79
$1,500,000 under $2,000,000	2.30	2.35	1.56	4.23	1.66	3.46	2.71	4.24	1.67	5.09	1.91	6.69
$2,000,000 under $5,000,000	1.52	1.56	2.12	2.11	0.97	1.98	1.62	2.54	1.97	3.09	1.09	3.11
$5,000,000 under $10,000,000	1.68	1.71	0.78	1.34	0.94	1.21	1.59	1.77	0.88	2.47	1.00	1.37
$10,000,000 or more	0.26	0.27	–	–	0.06	0.01	0.13	0.03	0.04	–	0.05	–
Taxable returns, total	**0.97**	**1.05**	**1.11**	**1.20**	**1.14**	**1.23**	**1.86**	**1.47**	**1.11**	**1.90**	**1.37**	**2.05**
No adjusted gross income	22.28	23.02	27.46	5.36	15.07	6.03	23.24	6.39	28.09	13.04	13.60	9.58
$1 under $5,000	14.15	17.97	9.41	22.87	15.04	38.98	27.04	56.63	9.50	23.10	19.31	43.35
$5,000 under $10,000	10.77	12.71	10.54	23.95	14.82	34.48	24.36	39.55	10.72	25.08	17.26	34.09
$10,000 under $15,000	7.27	8.07	8.83	36.15	10.14	19.54	16.89	21.06	8.96	35.27	12.34	27.43
$15,000 under $20,000	6.69	7.25	9.41	19.60	10.02	16.45	15.84	18.99	9.37	18.45	12.02	23.71
$20,000 under $25,000	5.93	6.53	8.48	17.68	9.00	11.16	14.23	12.19	8.50	16.83	11.15	20.21
$25,000 under $30,000	5.96	6.68	8.13	25.49	8.73	13.17	14.41	16.97	8.27	26.46	10.40	11.57
$30,000 under $40,000	4.23	4.76	5.86	15.75	5.87	7.78	9.44	9.17	5.91	14.82	7.08	12.52
$40,000 under $50,000	4.09	4.61	5.28	12.91	5.68	7.82	9.36	11.10	5.29	23.78	6.74	8.44
$50,000 under $75,000	2.55	2.85	3.22	8.40	3.32	5.21	5.84	5.90	3.22	8.27	3.91	9.47
$75,000 under $100,000	2.74	3.04	3.50	8.45	3.57	5.08	5.83	5.82	3.52	8.34	4.28	8.11
$100,000 under $200,000	1.90	2.08	2.23	5.45	2.27	3.10	3.77	3.47	2.23	5.26	2.69	5.87
$200,000 under $500,000	1.80	1.93	1.83	4.78	1.81	2.95	2.99	3.31	1.83	4.90	2.16	5.18
$500,000 under $1,000,000	2.29	2.36	1.91	4.97	1.92	3.02	3.12	3.66	1.94	5.55	2.31	4.39
$1,000,000 or more	1.46	1.49	1.02	0.74	0.95	1.06	1.56	1.52	1.05	1.64	1.07	1.39
Nontaxable returns, total	**1.65**	**1.70**	**3.19**	**6.21**	**2.38**	**2.25**	**2.91**	**2.55**	**3.01**	**6.71**	**3.53**	**4.45**

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--continued											
	Short-term gain from other forms (2119, 4797, etc.)		Short-term loss from other forms (4684, 6781, and 8824)		Net short-term partnership/ S-corporation gain		Net short-term partnership/ S-corporation loss		Long-term capital gain		Long-term capital loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	**5.03**	**2.51**	**4.60**	**4.75**	**2.39**	**1.24**	**3.67**	**3.13**	**0.63**	**0.36**	**0.90**	**0.82**
No adjusted gross income	24.00	18.92	22.08	20.95	13.59	6.64	16.62	11.37	4.33	2.15	2.81	2.23
$1 under $5,000	45.37	64.81	46.61	58.64	24.89	71.07	30.07	55.04	3.93	10.64	4.26	6.55
$5,000 under $10,000	50.96	74.97	56.15	60.49	28.28	49.49	35.61	47.77	3.97	6.90	5.02	6.78
$10,000 under $15,000	41.42	65.29	49.79	69.97	23.42	55.45	31.09	62.79	4.14	6.70	4.94	6.12
$15,000 under $20,000	50.12	49.80	98.59	8.51	35.20	53.54	36.14	65.45	4.32	8.08	4.94	5.59
$20,000 under $25,000	67.75	51.86	43.83	49.87	22.13	72.10	25.54	79.28	4.49	7.75	5.23	6.45
$25,000 under $30,000	40.97	53.09	49.98	77.36	31.59	65.81	33.00	40.74	4.40	7.33	5.60	7.04
$30,000 under $40,000	33.70	49.74	34.50	56.11	15.93	33.99	21.69	38.48	3.20	5.21	4.19	4.34
$40,000 under $50,000	35.88	79.87	28.85	33.38	15.23	33.01	23.09	46.46	3.08	5.15	4.15	5.49
$50,000 under $75,000	25.79	40.85	22.15	30.34	9.90	20.96	14.30	42.61	1.93	3.25	2.68	3.15
$75,000 under $100,000	22.58	49.45	23.94	31.13	10.79	22.06	15.76	38.52	2.13	3.28	3.01	3.72
$100,000 under $200,000	13.15	30.91	13.03	45.15	5.98	14.97	8.60	19.97	1.39	2.03	2.07	2.46
$200,000 under $500,000	8.21	21.29	7.94	20.71	3.75	9.86	5.60	17.29	1.14	1.74	1.97	2.44
$500,000 under $1,000,000	6.58	17.24	5.83	14.45	2.95	7.73	4.54	10.26	1.24	1.76	2.49	3.21
$1,000,000 under $1,500,000	5.84	17.54	4.90	10.77	2.72	7.51	4.40	9.79	1.39	1.94	3.04	4.53
$1,500,000 under $2,000,000	4.35	13.55	3.49	10.33	1.99	6.57	3.42	8.96	1.05	1.57	2.54	4.07
$2,000,000 under $5,000,000	2.10	6.46	1.65	4.45	2.13	2.61	1.78	4.37	0.58	0.75	1.67	2.07
$5,000,000 under $10,000,000	1.58	3.90	1.21	2.35	0.83	1.38	1.50	1.36	0.58	0.61	1.86	1.23
$10,000,000 or more	–	–	–	–	–	–	–	–	–	–	0.32	0.01
Taxable returns, total	**5.16**	**2.55**	**4.76**	**4.97**	**2.47**	**1.26**	**3.86**	**3.13**	**0.67**	**0.37**	**1.06**	**1.04**
No adjusted gross income	17.39	23.44	21.92	7.35	11.89	2.62	22.54	8.52	12.08	2.75	26.29	5.37
$1 under $5,000	99.92	99.92	99.92	99.92	37.75	54.33	45.52	78.59	5.38	8.05	14.44	30.83
$5,000 under $10,000	91.54	91.54	72.58	99.82	37.10	67.46	70.49	87.99	5.87	8.50	11.19	20.15
$10,000 under $15,000	70.60	97.97	70.67	99.10	37.70	91.78	39.90	81.61	5.63	8.74	7.74	10.95
$15,000 under $20,000	69.10	69.21	–	–	50.92	60.30	41.60	65.10	5.57	7.97	7.03	9.56
$20,000 under $25,000	92.77	73.44	59.22	55.57	27.10	77.39	31.64	90.37	5.05	7.62	6.39	8.70
$25,000 under $30,000	47.18	61.52	69.90	98.91	35.57	66.70	39.30	72.41	4.93	7.44	6.46	8.82
$30,000 under $40,000	34.87	54.21	39.14	62.95	16.92	26.46	24.62	48.93	3.53	5.30	4.63	6.09
$40,000 under $50,000	40.89	41.90	31.42	41.11	16.54	40.26	27.46	59.67	3.28	5.52	4.46	6.22
$50,000 under $75,000	26.34	48.46	22.22	30.56	10.26	22.89	14.72	38.53	1.99	3.38	2.77	3.37
$75,000 under $100,000	22.65	49.62	24.41	33.86	11.09	24.73	16.52	35.05	2.15	3.36	3.05	3.90
$100,000 under $200,000	13.18	31.04	13.28	45.91	6.03	15.55	8.71	21.42	1.39	2.05	2.07	2.56
$200,000 under $500,000	8.24	21.67	7.98	21.19	3.76	10.18	5.62	18.16	1.14	1.75	1.97	2.47
$500,000 under $1,000,000	6.60	17.27	5.84	14.62	2.96	7.81	4.55	10.50	1.24	1.76	2.49	3.28
$1,000,000 or more	1.89	1.70	1.42	1.05	1.12	0.74	1.68	1.50	0.57	0.25	1.61	1.63
Nontaxable returns, total	**17.91**	**15.21**	**17.16**	**16.18**	**9.66**	**6.71**	**11.97**	**12.42**	**2.09**	**2.43**	**1.80**	**1.63**

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--continued											
	Net long-term gain from sales of capital assets		Net long-term loss from sales of capital assets		Long-term loss carryover		Long-term gain from other forms (2119, 4797, etc.)		Long-term loss from other forms (4684, 6781, and 8824)		Net long-term partnership/ S-corporation gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All returns, total	**0.76**	**0.61**	**1.18**	**1.86**	**0.99**	**0.90**	**1.38**	**0.81**	**5.53**	**5.98**	**1.74**	**0.53**
No adjusted gross income	4.82	3.61	5.11	12.35	3.14	2.32	5.93	7.22	25.91	24.74	9.48	5.03
$1 under $5,000	4.53	10.66	6.30	16.47	4.74	6.81	13.59	44.35	51.98	69.55	17.10	33.37
$5,000 under $10,000	4.63	8.33	7.07	13.37	5.64	7.11	11.60	18.93	48.98	60.49	15.71	31.13
$10,000 under $15,000	4.86	8.42	6.43	23.62	5.79	6.64	10.07	47.74	52.81	72.88	14.31	23.76
$15,000 under $20,000	5.06	8.99	6.67	6.73	5.77	7.00	10.22	24.03	91.44	8.51	21.28	40.34
$20,000 under $25,000	5.33	10.48	7.11	11.98	6.13	7.04	10.14	19.36	44.52	49.40	14.00	23.45
$25,000 under $30,000	5.20	9.39	7.49	13.88	6.37	7.40	9.87	19.33	49.98	89.81	17.97	31.12
$30,000 under $40,000	3.79	9.94	5.40	5.12	4.89	6.36	7.51	11.45	33.95	37.91	11.61	23.22
$40,000 under $50,000	3.77	6.40	5.06	9.93	5.00	5.92	6.99	12.40	31.26	36.59	11.07	18.84
$50,000 under $75,000	2.29	4.02	3.30	4.56	3.13	3.55	4.71	7.58	22.71	31.25	6.49	12.35
$75,000 under $100,000	2.56	4.28	3.72	6.58	3.46	4.04	5.03	6.95	24.06	35.61	7.18	12.96
$100,000 under $200,000	1.65	2.71	2.51	4.42	2.30	2.63	3.13	4.15	14.22	49.22	4.05	6.94
$200,000 under $500,000	1.35	2.36	2.38	4.47	1.95	2.53	2.30	3.22	9.14	22.42	2.67	4.89
$500,000 under $1,000,000	1.46	2.50	2.91	5.61	2.27	3.12	2.11	3.06	7.15	15.84	2.21	4.04
$1,000,000 under $1,500,000	1.63	2.86	3.25	9.61	2.64	4.38	2.17	3.35	6.08	16.64	2.10	3.86
$1,500,000 under $2,000,000	1.23	2.29	2.69	7.63	2.13	3.96	1.68	2.86	4.66	11.36	1.56	3.04
$2,000,000 under $5,000,000	0.69	1.21	1.60	8.63	1.37	2.04	0.88	1.51	2.30	5.78	0.79	1.40
$5,000,000 under $10,000,000	0.67	1.03	1.49	2.11	1.41	1.27	0.76	1.04	1.75	3.35	0.68	0.92
$10,000,000 or more	–	–	0.11	–	0.15	–	–	–	–	–	–	–
Taxable returns, total	**0.80**	**0.62**	**1.30**	**1.77**	**1.16**	**1.10**	**1.49**	**0.80**	**5.78**	**6.31**	**1.81**	**0.52**
No adjusted gross income	17.74	6.09	17.14	9.28	23.09	5.52	13.60	4.79	28.08	12.45	16.70	2.65
$1 under $5,000	6.59	10.37	14.55	25.60	14.37	31.11	27.31	43.82	99.92	99.92	25.98	32.27
$5,000 under $10,000	6.95	10.84	12.89	31.59	12.95	20.89	37.71	55.99	72.58	99.86	21.40	31.66
$10,000 under $15,000	6.72	12.08	9.32	18.16	9.52	12.29	18.96	28.20	70.67	99.65	19.22	32.79
$15,000 under $20,000	6.48	10.32	8.93	19.08	8.04	9.91	17.10	23.08	–	–	30.99	44.22
$20,000 under $25,000	6.08	9.55	8.25	14.78	7.61	9.49	12.92	20.95	64.47	64.69	16.49	24.34
$25,000 under $30,000	5.82	10.03	8.51	15.33	7.41	9.28	11.42	17.47	69.90	98.93	23.52	38.98
$30,000 under $40,000	4.19	12.05	6.00	9.57	5.40	7.86	8.52	13.25	38.27	49.85	12.66	20.44
$40,000 under $50,000	4.03	6.96	5.38	10.76	5.36	6.68	7.75	14.48	33.13	41.72	12.38	24.18
$50,000 under $75,000	2.36	4.14	3.39	4.66	3.25	3.83	5.00	8.44	22.77	31.44	6.89	13.84
$75,000 under $100,000	2.59	4.37	3.75	6.75	3.52	4.25	5.16	7.26	24.12	37.28	7.39	13.99
$100,000 under $200,000	1.66	2.74	2.52	4.45	2.31	2.73	3.15	4.20	14.48	49.43	4.09	7.11
$200,000 under $500,000	1.36	2.37	2.38	4.53	1.96	2.56	2.31	3.24	9.18	22.97	2.68	4.95
$500,000 under $1,000,000	1.46	2.51	2.92	5.71	2.28	3.18	2.11	3.07	7.17	15.96	2.21	4.07
$1,000,000 or more	0.68	0.46	1.52	2.75	1.32	1.55	0.85	0.55	2.02	1.41	0.76	0.35
Nontaxable returns, total	**2.38**	**3.27**	**2.90**	**5.44**	**2.01**	**1.82**	**3.84**	**6.46**	**18.93**	**18.69**	**6.24**	**5.31**

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--cont				Sale of property other than capital assets				Taxable IRA distributions	
	Net long-term partnership/ S-corporation loss		Schedule D capital gain distributions		Net gain		Net loss			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
All returns, total	**3.64**	**5.00**	**0.69**	**1.09**	**2.21**	**2.50**	**2.36**	**3.37**	**0.83**	**1.37**
No adjusted gross income	15.43	9.15	4.50	6.84	7.57	6.98	6.68	6.49	6.84	8.29
$1 under $5,000	24.70	49.10	4.29	7.08	20.81	38.07	19.07	43.44	6.43	9.08
$5,000 under $10,000	38.95	49.26	4.57	7.04	16.84	28.30	16.35	30.70	4.43	5.81
$10,000 under $15,000	26.69	49.53	4.73	6.82	18.13	25.58	17.65	30.60	3.56	4.98
$15,000 under $20,000	31.01	77.00	4.85	7.59	13.96	24.41	15.26	23.06	3.56	5.04
$20,000 under $25,000	24.73	43.24	5.21	8.69	14.12	19.74	15.54	47.14	3.75	5.35
$25,000 under $30,000	29.18	42.64	5.16	7.60	13.35	19.05	16.45	29.03	3.90	5.64
$30,000 under $40,000	18.48	31.00	3.82	6.47	10.37	19.14	11.86	23.22	2.95	4.37
$40,000 under $50,000	19.15	50.06	3.51	5.63	10.14	17.41	12.04	23.73	3.11	4.67
$50,000 under $75,000	11.69	24.44	2.23	3.75	6.86	11.68	8.18	15.71	2.06	3.15
$75,000 under $100,000	14.56	26.65	2.43	4.53	7.97	11.79	9.48	19.75	2.51	3.84
$100,000 under $200,000	7.83	18.55	1.53	2.97	5.39	9.30	5.77	12.72	2.13	3.31
$200,000 under $500,000	5.66	13.23	1.25	2.79	4.11	8.45	4.09	8.98	2.54	4.55
$500,000 under $1,000,000	4.94	14.76	1.38	3.34	3.81	10.26	3.43	8.20	3.32	6.85
$1,000,000 under $1,500,000	5.26	11.57	1.59	4.65	3.74	7.73	3.46	8.89	3.89	11.13
$1,500,000 under $2,000,000	4.28	9.98	1.19	3.18	2.94	7.32	2.83	7.64	3.17	8.14
$2,000,000 under $5,000,000	2.55	9.48	0.67	1.96	4.53	3.99	1.54	3.93	1.92	6.24
$5,000,000 under $10,000,000	2.37	3.62	0.67	1.35	1.19	2.84	1.33	1.36	1.84	9.13
$10,000,000 or more	--	--	--	--	--	--	--	--	0.18	0.34
Taxable returns, total	**3.89**	**6.08**	**0.74**	**1.13**	**2.48**	**2.71**	**2.69**	**3.84**	**0.92**	**1.46**
No adjusted gross income	12.69	9.13	21.63	21.39	21.06	6.22	17.32	5.46	57.69	23.50
$1 under $5,000	59.07	97.66	6.43	9.13	54.28	87.78	57.68	70.35	32.24	36.85
$5,000 under $10,000	59.07	97.77	6.84	10.15	99.46	68.39	57.68	82.14	15.77	20.01
$10,000 under $15,000	36.05	64.89	6.63	9.66	34.77	68.38	36.06	64.87	5.13	7.08
$15,000 under $20,000	57.38	51.92	6.17	9.85	28.35	47.66	25.52	31.17	4.92	7.01
$20,000 under $25,000	30.04	66.22	5.90	9.16	19.34	31.65	25.97	48.47	4.23	6.02
$25,000 under $30,000	32.32	59.56	5.75	8.35	18.61	29.13	20.72	41.28	4.19	6.04
$30,000 under $40,000	20.03	35.14	4.15	6.81	11.75	22.39	14.97	33.40	3.08	4.55
$40,000 under $50,000	21.99	31.16	3.69	5.88	11.35	20.35	13.71	28.95	3.20	4.81
$50,000 under $75,000	12.40	29.85	2.29	3.80	7.46	12.74	8.90	16.92	2.08	3.19
$75,000 under $100,000	14.62	26.98	2.46	4.59	8.19	12.24	9.58	20.97	2.53	3.87
$100,000 under $200,000	7.94	19.49	1.53	2.98	5.44	9.43	5.86	13.06	2.14	3.32
$200,000 under $500,000	5.67	13.64	1.25	2.79	4.13	8.50	4.10	9.23	2.54	4.55
$500,000 under $1,000,000	4.95	14.90	1.38	3.35	3.82	10.38	3.44	8.35	3.32	6.86
$1,000,000 or more	2.40	4.06	0.66	1.30	1.95	1.17	1.46	2.18	1.87	4.61
Nontaxable returns, total	**10.23**	**8.68**	**2.31**	**4.29**	**5.05**	**6.52**	**4.91**	**5.80**	**2.15**	**3.30**

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Pensions and annuities				Rent				Royalty			
	Total		Taxable		Net income		Net loss (includes nondeductible loss)		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(71)	(72)	(73)	(74)	(75)	(73)	(77)	(78)	(79)	(80)	(81)	(82)
All returns, total	**0.46**	**0.93**	**0.49**	**0.74**	**1.15**	**1.41**	**1.04**	**1.32**	**2.00**	**2.90**	**11.82**	**20.18**
No adjusted gross income	4.86	6.92	5.15	6.77	6.27	6.49	3.75	3.81	10.45	10.88	60.20	18.20
$1 under $5,000	3.59	15.83	3.78	5.57	8.92	12.60	7 46	10.78	12.84	19.62	70.72	99 44
$5,000 under $10,000	2.56	8 60	2.61	3.29	6.68	10.56	6.51	8.92	13.60	21.01	99.92	99.92
$10,000 under $15,000	2.13	4.18	2.17	2.61	5.54	7 67	6.09	8.74	11.57	17 26	80.36	90.00
$15,000 under $20,000	2.10	4.19	2.15	2.63	5.66	8.69	5.86	9.18	11.32	22 26	39.65	67 92
$20,000 under $25,000	2 28	4.09	2.34	2.95	6.03	8.50	5.80	8.01	12.07	23.86	99 85	99 85
$25,000 under $30,000	2.41	6.45	2.50	3 19	6.52	10.03	5.64	7.92	10.65	24 25	99.53	99.53
$30,000 under $40,000	1.75	2.78	1 80	2.37	4 76	7.08	4 02	5.89	8.74	19.84	52 84	52 25
$40,000 under $50,000	1.82	3.05	1.89	2.55	4 91	7.36	4.08	5.84	9 25	19.84	53.38	73.77
$50,000 under $75,000	1 21	1.89	1 26	1.76	3.26	4.91	2.86	4 19	6.03	12.31	** 29 49	** 45.01
$75,000 under $100,000	1.52	2 51	1 61	2.22	3.74	5.52	3.33	4 46	6.62	15.18	**	**
$100,000 under $200,000	1.29	2 21	1 42	1 97	2.67	3.80	2.40	3 14	4 56	9.71	26.54	44.33
$200,000 under $500,000	1.61	3.75	1.86	3.09	2.37	3.64	2.38	3 24	3.62	8.85	19.12	47.26
$500,000 under $1,000,000	2.17	4.91	2.54	4 79	2 57	4.05	2.78	4 12	3.37	8.70	23.31	33 48
$1,000,000 under $1,500,000	2.51	6.38	2.89	7.25	2.83	4.14	3 15	4 28	3.33	7.81	19 90	38.66
$1,500,000 under $2,000,000	1.98	5.39	2.34	5.74	2.31	4.17	2.70	4 85	2.63	9.23	15.15	41.37
$2,000,000 under $5,000,000	1 20	6.52	1 41	3.95	1.34	2.47	1.58	2.57	1.29	4.85	7.57	50.35
$5,000,000 under $10,000,000	1.12	2.06	1.28	5.49	1.24	1.31	1 46	1.28	1.01	2.82	4.81	14 47
$10,000,000 or more	0.06	–	0.08	0.02	–	–	–	–	–	–	–	–
Taxable returns, total	**0.52**	**0.97**	**0.55**	**0.79**	**1.28**	**1.50**	**1.22**	**1.54**	**2.15**	**3.01**	**13.01**	**19.73**
No adjusted gross income	32.95	22.71	34.09	32 19	13.46	9 42	31.22	14 20	17 43	13.84	86.92	41.37
$1 under $5,000	20.83	33.16	20.83	26.39	70.02	62.88	75.26	58.42	33.36	50.12	–	–
$5,000 under $10,000	8.95	12 45	9.16	11.48	23.64	31.36	29 44	41.10	38.59	57.30	99.92	99.92
$10,000 under $15,000	3.04	6.23	3.08	3 62	8.94	12.32	13 15	25.32	18.23	25.41	80.36	90.00
$15,000 under $20,000	2.80	4.34	2.84	3 42	8.29	11.19	9.37	14 37	14.00	26 48	–	–
$20,000 under $25,000	2.61	3.97	2 66	3.28	7 12	10.05	8.35	12.38	13.75	26.13	99 85	99.85
$25,000 under $30,000	2 64	7.11	2.73	3.39	7.73	11 45	7 41	10.56	11.96	26.31	–	–
$30,000 under $40,000	1.85	2.82	1.90	2.45	5.33	7.86	5.00	7.65	9.29	21.55	59.93	62 56
$40,000 under $50,000	1.90	3.15	1.96	2.61	5.34	8.06	4.61	6.72	9.80	20.57	53.44	73.78
$50,000 under $75,000	1.23	1 92	1.28	1.78	3.38	5.15	3.04	4.35	6.17	12.59	** 29 92	** 45.02
$75,000 under $100,000	1.53	2.52	1.62	2.23	3.76	5.57	3.40	4.57	6.73	15.82	**	**
$100,000 under $200,000	1.30	2.22	1.42	1.97	2.68	3.81	2.41	3.18	4.58	9.79	26.55	44.35
$200,000 under $500,000	1.61	3.76	1.86	3.09	2.37	3.65	2.39	3.27	3.63	8.90	19 17	47.34
$500,000 under $1,000,000	2.17	4.92	2.55	4.81	2.57	4.06	2.79	4.14	3.38	8.72	23.46	34 23
$1,000,000 or more	1.15	3.13	1.33	2.91	1.26	1.48	1.47	1.69	1.20	2.33	6.25	19.50
Nontaxable returns, total	**1.25**	**3.22**	**1.30**	**1.87**	**2.76**	**4.04**	**2.09**	**2.57**	**5.53**	**9.57**	**28.17**	**51.71**

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Farm rental				Total rental and royalty				Partnership and S Corporation			
	Net income		Net loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(83)	(84)	(85)	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)
All returns, total	**3.81**	**5.62**	**7.37**	**11.29**	**1.00**	**1.27**	**1.14**	**1.41**	**0.94**	**0.55**	**1.46**	**1.02**
No adjusted gross income	21.73	27.45	28.40	37.51	5.62	5.85	3.77	4.27	7.14	5.23	3.49	1.88
$1 under $5,000	22.93	27.87	41.64	51.75	7.25	10.67	7.49	10.35	9.76	15.02	10.77	18.40
$5,000 under $10,000	16.72	20.55	41.72	45.39	5.75	8.79	6.71	8.85	8.85	12.17	9.28	15.58
$10,000 under $15,000	16.29	22.17	34.02	60.38	4.92	6.90	6.23	8.90	7.82	10.12	9.36	15.58
$15,000 under $20,000	14.72	18.98	33.55	47.42	5.04	6.99	5.95	9.42	7.90	9.90	10.46	15.96
$20,000 under $25,000	17.69	22.43	** 24.14	** 33.62	5.34	7.71	5.81	8.11	7.41	9.69	9.52	14.57
$25,000 under $30,000	20.86	30.09	**	**	5.61	9.29	5.73	8.00	7.36	9.26	9.27	14.96
$30,000 under $40,000	12.54	18.31	23.56	33.04	4.14	6.50	4.03	5.83	5.10	6.82	7.04	10.85
$40,000 under $50,000	13.88	20.85	26.62	36.72	4.32	6.83	4.16	5.57	4.89	6.58	6.60	10.55
$50,000 under $75,000	10.25	13.97	** 14.65	** 25.57	2.86	4.48	2.89	3.84	3.12	4.34	4.70	7.03
$75,000 under $100,000	11.15	16.08	**	**	3.27	5.08	3.35	4.34	3.38	4.50	5.15	7.62
$100,000 under $200,000	9.25	14.43	19.95	29.71	2.36	3.57	2.86	3.66	2.05	2.55	3.35	4.69
$200,000 under $500,000	11.29	20.15	** 13.09	** 15.29	2.07	3.50	3.37	4.61	1.48	1.92	2.72	3.65
$500,000 under $1,000,000	12.33	24.04	**	**	2.15	3.99	3.55	4.57	1.45	1.78	2.75	3.24
$1,000,000 under $1,500,000	14.58	23.51	**	**	2.31	4.01	3.83	5.16	1.61	1.98	2.89	3.32
$1,500,000 under $2,000,000	10.21	25.10	**	**	1.83	4.31	3.24	6.00	1.25	1.69	2.27	3.32
$2,000,000 under $5,000,000	6.29	29.08	**	**	0.98	2.43	1.88	3.27	0.73	0.90	2.82	1.33
$5,000,000 under $10,000,000	5.69	4.83	**	**	0.86	1.46	1.61	1.34	0.74	0.86	0.96	0.39
$10,000,000 or more	–	–	**	**	–	–	–	–	–	–	–	–
Taxable returns, total	**4.26**	**6.20**	**8.32**	**13.03**	**1.11**	**1.35**	**1.37**	**1.66**	**0.99**	**0.56**	**1.74**	**1.12**
No adjusted gross income	41.04	66.19	56.23	68.72	12.02	8.62	30.65	11.34	18.65	6.91	23.80	5.18
$1 under $5,000	–	–	–	–	30.11	40.46	75.26	62.05	19.69	24.99	40.68	13.60
$5,000 under $10,000	99.92	99.92	99.92	99.92	20.55	27.71	29.44	41.28	17.34	25.34	24.56	36.93
$10,000 under $15,000	24.69	32.62	51.22	90.05	7.91	10.94	13.46	26.67	12.18	15.00	20.84	31.62
$15,000 under $20,000	20.73	27.62	58.96	76.10	7.15	9.83	9.81	14.50	11.09	13.84	18.14	24.09
$20,000 under $25,000	18.56	23.74	** 25.65	** 34.38	6.22	8.89	8.31	12.17	9.51	12.80	14.06	19.42
$25,000 under $30,000	22.37	31.30	**	**	6.55	10.53	7.49	10.56	9.37	11.74	12.31	17.72
$30,000 under $40,000	13.07	19.29	26.26	39.64	4.55	7.21	5.01	7.01	6.17	8.04	8.74	12.42
$40,000 under $50,000	14.62	22.58	26.86	38.19	4.67	7.45	4.71	6.37	5.60	7.56	7.93	14.78
$50,000 under $75,000	10.30	14.10	** 14.86	** 26.34	2.95	4.67	3.07	4.13	3.33	4.66	5.03	7.82
$75,000 under $100,000	11.22	16.29	**	**	3.30	5.13	3.42	4.50	3.44	4.60	5.31	8.01
$100,000 under $200,000	9.25	14.43	20.00	29.73	2.37	3.58	2.88	3.64	2.06	2.56	3.38	4.84
$200,000 under $500,000	11.31	20.19	** 13.11	** 15.34	2.07	3.51	3.38	4.65	1.48	1.92	2.74	3.80
$500,000 under $1,000,000	12.35	24.05	**	**	2.16	3.99	3.56	4.59	1.45	1.78	2.76	3.35
$1,000,000 or more	5.92	12.91	**	**	0.93	1.33	1.71	1.96	0.70	0.44	1.37	0.49
Nontaxable returns, total	**8.61**	**12.27**	**15.95**	**22.45**	**2.46**	**3.62**	**2.11**	**2.66**	**3.09**	**3.97**	**2.73**	**1.85**

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Estate and trust				Farm				Unemployment compensation		Social security benefits	
	Net income		Net loss		Net income		Net loss				Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)	(106)
All returns, total	**3.16**	**2.64**	**10.57**	**4.35**	**2.90**	**3.80**	**1.45**	**2.09**	**1.05**	**1.42**	**0.53**	**0.60**
No adjusted gross income	19.18	13.06	28.21	9.93	13.30	20.03	4.44	4.39	13.59	16.09	3.68	3.89
$1 under $5,000	25.09	66.13	99.61	99.24	15.70	31.64	13.78	19.06	7.28	9.49	2.68	3.12
$5,000 under $10,000	19.09	26.32	98.93	85.45	15.53	24.01	10.58	15.36	4.27	5.43	2.30	2.56
$10,000 under $15,000	22.27	26.59	70.27	80.79	12.90	22.25	9.68	13.09	3.56	4.76	2.06	2.29
$15,000 under $20,000	19.79	24.59	** 55.94	** 78.22	13.67	19.47	9.83	14.06	3.43	4.54	2.16	2.39
$20,000 under $25,000	23.00	29.31	**	**	15.01	21.29	8.97	14.08	3.62	4.68	2.35	2.59
$25,000 under $30,000	23.50	31.60	44.69	72.70	14.46	21.36	10.98	15.64	4.03	5.33	2.54	2.81
$30,000 under $40,000	14.99	21.94	66.71	54.22	10.80	16.40	7.07	10.30	3.16	4.23	1.98	2.20
$40,000 under $50,000	15.65	24.42	–	–	10.73	14.12	7.61	10.60	3.65	4.80	2.15	2.43
$50,000 under $75,000	9.57	14.64	51.99	45.54	7.70	11.01	5.01	7.83	2.66	3.61	1.47	1.67
$75,000 under $100,000	10.53	15.43	46.62	54.50	10.97	12.69	6.14	8.11	3.85	5.08	1.98	2.18
$100,000 under $200,000	6.65	11.07	23.45	35.71	8.53	10.49	5.40	6.69	4.07	5.27	1.78	1.95
$200,000 under $500,000	5.29	9.63	18.95	21.63	9.73	12.57	5.62	7.02	6.63	8.02	2.05	2.23
$500,000 under $1,000,000	5.39	9.87	18.20	25.83	11.01	10.66	5.90	6.84	11.83	13.52	2.43	2.61
$1,000,000 under $1,500,000	5.32	11.19	12.74	25.97	10.78	16.96	6.40	6.97	16.34	18.79	2.73	2.93
$1,500,000 under $2,000,000	4.24	9.06	10.72	16.55	9.48	19.39	5.85	8.71	13.45	15.86	2.18	2.37
$2,000,000 under $5,000,000	2.24	4.54	4.36	7.57	5.63	11.02	3.19	4.14	10.55	12.81	1.30	1.41
$5,000,000 under $10,000,000	1.79	3.59	2.73	1.81	4.87	7.23	2.69	1.49	13.45	12.60	1.18	1.24
$10,000,000 or more	–	–	–	–	–	–	–	–	–	–	0.08	0.07
Taxable returns, total	**3.31**	**2.69**	**11.93**	**4.12**	**3.66**	**4.45**	**1.90**	**2.63**	**1.31**	**1.76**	**0.63**	**0.70**
No adjusted gross income	50.01	7.84	35.57	0.90	34.06	12.52	46.88	12.24	61.82	43.56	40.31	30.87
$1 under $5,000	35.83	38.29	–	–	98.47	69.65	99.91	99.91	45.25	49.95	16.67	18.63
$5,000 under $10,000	33.74	39.79	–	–	49.39	57.76	41.77	68.52	12.91	17.00	9.32	10.54
$10,000 under $15,000	29.97	32.78	72.06	89.21	21.66	27.52	18.76	26.42	5.72	7.94	3.00	3.25
$15,000 under $20,000	28.40	34.95	** 72.30	** 98.52	24.90	31.36	17.79	27.47	4.95	6.73	2.92	3.17
$20,000 under $25,000	23.08	29.72	**	**	22.60	35.84	11.76	17.29	4.96	6.57	2.66	2.90
$25,000 under $30,000	28.08	38.63	49.97	70.49	19.26	32.45	14.26	19.69	5.14	6.82	2.75	3.02
$30,000 under $40,000	15.36	22.47	** 55.94	** 78.22	13.09	21.78	7.79	12.64	3.75	4.97	2.07	2.29
$40,000 under $50,000	16.48	25.85	**	**	12.42	15.16	8.22	11.40	4.00	5.33	2.20	2.48
$50,000 under $75,000	9.77	14.94	70.51	58.49	8.18	12.02	5.17	7.90	2.76	3.74	1.49	1.69
$75,000 under $100,000	10.63	15.88	47.35	63.46	11.11	12.47	6.22	8.23	3.88	5.12	1.99	2.19
$100,000 under $200,000	6.66	11.09	23.98	38.20	8.53	10.49	5.42	6.76	4.09	5.29	1.78	1.95
$200,000 under $500,000	5.31	9.65	19.13	25.36	9.75	12.58	5.63	7.08	6.64	8.03	2.05	2.23
$500,000 under $1,000,000	5.40	9.88	18.32	26.54	11.03	10.66	5.91	6.92	11.84	13.53	2.44	2.61
$1,000,000 or more	2.09	1.99	3.36	2.09	4.72	7.03	2.89	2.31	9.67	11.42	1.24	1.31
Nontaxable returns, total	**10.50**	**12.20**	**22.80**	**11.02**	**5.52**	**8.37**	**3.37**	**3.84**	**1.88**	**2.49**	**1.15**	**1.31**

Footnotes at end of table

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Social security benefits		Foreign earned income exclusion		Other income				Net operating loss		Gambling earnings	
	Taxable				Net income		Net loss					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)	(116)	(117)	(118)
All returns, total	**0.65**	**0.79**	**0.51**	**0.62**	**1.08**	**2.09**	**4.32**	**5.10**	**2.16**	**1.20**	**1.94**	**2.71**
No adjusted gross income	25.69	14.26	2.70	3.12	6.64	10.80	8.11	8.15	2.55	1.30	13.35	15.26
$1 under $5,000	23.22	25.95	3.45	3.87	5.11	7.12	27.41	37.44	8.64	13.67	15.51	17.11
$5,000 under $10,000	19.02	22.41	7.37	7.92	5.12	8.06	27.31	45.15	10.01	14.98	10.92	14.01
$10,000 under $15,000	15.43	20.36	6.48	6.36	5.24	10.63	29.44	28.16	12.33	20.27	10.11	15.51
$15,000 under $20,000	5.08	10.55	6.87	6.83	5.30	9.02	26.74	33.05	13.99	21.24	8.64	14.13
$20,000 under $25,000	2.86	3.90	7.18	6.86	5.55	10.12	25.15	24.07	16.37	19.11	9.23	11.86
$25,000 under $30,000	2.65	3.19	7.85	7.64	5.60	10.53	27.41	29.88	17.53	22.70	9.82	14.89
$30,000 under $40,000	1.98	2.23	5.57	5.51	4.10	7.80	21.60	25.30	15.83	23.55	6.80	9.81
$40,000 under $50,000	2.15	2.33	7.62	7.78	4.35	9.38	26.89	19.55	16.50	20.26	7.09	9.86
$50,000 under $75,000	1.47	1.62	4.69	3.89	2.85	7.24	14.97	20.89	12.52	18.13	4.44	7.42
$75,000 under $100,000	1.98	2.18	3.51	3.25	3.45	9.07	16.17	24.82	15.94	21.13	5.65	9.17
$100,000 under $200,000	1.78	1.94	1.71	1.64	2.64	6.50	10.15	13.90	11.16	11.58	4.56	7.65
$200,000 under $500,000	2.05	2.23	2.43	2.23	2.46	6.97	6.10	8.99	9.65	8.66	5.15	8.55
$500,000 under $1,000,000	2.43	2.61	1.71	1.69	2.51	8.32	4.99	7.27	9.15	7.82	6.08	10.65
$1,000,000 under $1,500,000	2.73	2.93	2.35	2.48	2.57	9.24	6.99	13.93	9.07	8.71	6.83	12.69
$1,500,000 under $2,000,000	2.18	2.37	3.56	3.79	1.98	7.46	6.15	18.43	7.98	8.53	5.78	12.39
$2,000,000 under $5,000,000	1.30	1.41	1.92	1.95	1.07	3.81	3.33	7.24	4.29	3.31	3.40	6.51
$5,000,000 under $10,000,000	1.18	1.24	0.26	0.29	0.91	2.88	2.99	3.01	3.33	0.78	3.16	5.94
$10,000,000 or more	0.08	0.07	–	–	0.04	–	–	–	–	–	–	–
Taxable returns, total	**0.67**	**0.80**	**1.33**	**1.14**	**1.22**	**2.31**	**5.36**	**5.21**	**5.24**	**2.03**	**2.16**	**2.95**
No adjusted gross income	83.39	80.25	**	**	25.04	40.53	58.16	18.26	17.40	2.19	64.89	1.44
$1 under $5,000	72.44	73.41	** 79.91	** 76.29	10.16	11.97	–	–	71.90	59.82	99.92	99.92
$5,000 under $10,000	42.06	52.56	23.61	24.28	10.04	15.42	82.45	66.20	57.33	80.81	45.61	60.81
$10,000 under $15,000	20.76	26.89	12.06	12.14	7.93	12.26	45.57	48.16	25.78	29.43	16.69	21.10
$15,000 under $20,000	5.90	13.06	10.55	10.97	7.31	12.03	35.02	50.92	34.04	55.48	12.78	18.32
$20,000 under $25,000	3.14	4.32	10.28	9.94	7.15	13.32	31.07	34.69	24.99	28.72	12.37	14.78
$25,000 under $30,000	2.85	3.37	10.03	9.87	7.01	13.24	34.00	40.23	25.62	36.24	12.44	20.21
$30,000 under $40,000	2.07	2.33	6.77	6.70	4.69	8.75	25.34	29.75	19.21	27.69	7.54	10.79
$40,000 under $50,000	2.20	2.39	9.01	9.35	4.74	10.29	30.30	24.09	21.39	27.18	7.60	9.99
$50,000 under $75,000	1.49	1.64	5.31	4.38	2.95	7.67	15.53	22.51	13.92	21.05	4.57	7.34
$75,000 under $100,000	1.99	2.19	3.87	3.64	3.49	9.22	16.48	25.64	16.76	22.24	5.70	9.19
$100,000 under $200,000	1.78	1.95	1.86	1.84	2.65	6.54	10.41	14.42	11.68	12.49	4.58	7.73
$200,000 under $500,000	2.05	2.23	2.63	2.46	2.47	7.02	6.26	9.37	9.86	8.98	5.21	9.00
$500,000 under $1,000,000	2.44	2.61	1.82	1.81	2.52	8.36	5.07	7.45	9.34	8.12	6.17	11.47
$1,000,000 or more	1.24	1.31	1.02	1.11	1.04	2.30	3.05	4.75	3.71	1.55	3.39	3.41
Nontaxable returns, total	**3.22**	**4.64**	**1.06**	**1.36**	**2.41**	**4.74**	**6.83**	**7.40**	**2.37**	**1.44**	**4.46**	**5.69**

Footnotes at end of table

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Statutory adjustments											
	Total		IRA Payments		Jury duty pay deduction		Student loan interest deduction		Educator expenses deduction		Tuition and fees deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(119)	(120)	(121)	(122)	(123)	(124)	(125)	(126)	(127)	(128)	(129)	(130)
All returns, total	**0.36**	**0.65**	**1.51**	**1.69**	**12.56**	**34.08**	**1.00**	**1.41**	**1.62**	**1.72**	**1.45**	**1.70**
No adjusted gross income	3.20	6.07	15.23	18.26	61.49	80.30	8.76	12.02	25.19	26.50	7.59	8.27
$1 under $5,000	2.09	4.45	14.41	16.21	--	--	7.94	11.24	40.85	41.05	6.19	6.84
$5,000 under $10,000	1.73	3.41	13.62	17.45	70.68	98.31	6.01	9.00	18.86	20.02	5.73	6.41
$10,000 under $15,000	1.73	3.10	9.58	11.35	--	--	5.15	7.48	13.65	14.31	7.81	9.20
$15,000 under $20,000	2.00	3.51	7.95	9.39	97.09	85.30	4.85	6.88	12.17	12.32	7.73	9.06
$20,000 under $25,000	2.14	3.60	6.80	8.47	70.57	63.09	4.09	5.75	12.57	12.91	9.02	10.81
$25,000 under $30,000	2.16	3.59	6.81	8.16	50.67	83.76	3.96	5.55	9.88	10.16	8.83	10.33
$30,000 under $40,000	1.60	2.90	4.79	5.75	49.03	81.60	2.84	3.87	5.55	5.66	7.16	8.58
$40,000 under $50,000	1.63	2.82	4.55	5.39	30.49	85.92	2.96	4.04	5.72	5.93	5.91	7.01
$50,000 under $75,000	1.13	2.10	3.38	4.01	23.46	42.44	2.16	3.05	3.54	3.74	3.69	4.42
$75,000 under $100,000	1.38	2.52	4.40	4.94	35.40	74.30	2.69	3.58	3.62	3.89	4.39	5.26
$100,000 under $200,000	1.10	1.74	3.50	3.64	27.32	36.14	3.16	4.52	3.18	3.42	2.49	2.89
$200,000 under $500,000	1.22	1.84	4.38	4.59	--	--	--	--	** 4.95	** 5.15	--	--
$500,000 under $1,000,000	1.39	2.13	5.51	5.85	--	--	--	--	**	**	--	--
$1,000,000 under $1,500,000	1.59	2.50	6.12	6.35	--	--	--	--	**	**	--	--
$1,500,000 under $2,000,000	1.25	2.50	5.36	5.68	--	--	--	--	**	**	--	--
$2,000,000 under $5,000,000	1.61	2.43	3.30	3.46	42.92	82.06	--	--	**	**	--	--
$5,000,000 under $10,000,000	0.69	1.07	3.45	3.71	--	--	--	--	**	**	--	--
$10,000,000 or more	0.03	0.07	--	--	--	--	--	--	**	**	--	--
Taxable returns, total	**0.47**	**0.74**	**1.64**	**1.80**	**13.25**	**27.45**	**1.11**	**1.56**	**1.70**	**1.80**	**1.72**	**2.04**
No adjusted gross income	20.53	17.94	58.15	65.85	**	**	90.81	36.90	82.03	82.03	96.21	96.15
$1 under $5,000	16.35	43.24	57.68	72.70	--	--	99.64	99.64	--	--	--	--
$5,000 under $10,000	6.26	15.19	41.54	46.43	--	--	18.86	26.15	72.30	72.30	29.25	30.98
$10,000 under $15,000	3.34	5.81	20.80	25.64	--	--	6.94	9.97	21.42	22.47	16.58	20.25
$15,000 under $20,000	3.15	5.35	10.83	12.11	** 99.85	** 88.80	6.30	8.87	15.30	15.49	16.04	19.83
$20,000 under $25,000	2.90	4.92	8.98	10.63	--	--	4.93	6.88	15.96	16.23	19.57	24.14
$25,000 under $30,000	2.80	4.72	8.66	9.98	58.72	84.30	4.59	6.36	11.60	11.96	17.32	21.08
$30,000 under $40,000	1.86	3.50	5.20	6.23	57.71	60.19	3.16	4.26	6.10	6.23	9.51	11.35
$40,000 under $50,000	1.80	3.12	4.83	5.72	30.49	85.92	3.16	4.29	6.21	6.41	6.47	7.78
$50,000 under $75,000	1.19	2.22	3.46	4.10	23.46	42.44	2.25	3.18	3.65	3.85	3.83	4.61
$75,000 under $100,000	1.39	2.56	4.42	4.96	35.40	74.30	2.70	3.60	3.64	3.92	4.43	5.32
$100,000 under $200,000	1.10	1.75	3.50	3.65	27.33	36.18	3.16	4.52	3.18	3.43	2.49	2.89
$200,000 under $500,000	1.22	1.84	4.39	4.59	--	--	--	--	** 4.95	** 5.15	--	--
$500,000 under $1,000,000	1.39	2.13	5.52	5.86	--	--	--	--	**	**	--	--
$1,000,000 or more	0.79	1.07	3.18	3.28	42.92	82.06	--	--	**	**	--	--
Nontaxable returns, total	**0.72**	**1.54**	**3.99**	**4.90**	**39.44**	**81.44**	**2.37**	**3.38**	**5.69**	**5.94**	**2.69**	**3.05**

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Statutory adjustments--continued											
	Domestic production activities deduction		Health savings account deduction		Deduction for self-employment tax		Moving expense adjustment		Payments to a Keogh plan		Penalty on early withdrawal of savings	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(131)	(132)	(133)	(134)	(135)	(136)	(137)	(138)	(139)	(140)	(141)	(142)
All returns, total	**2.81**	**1.10**	**4.16**	**4.39**	**0.39**	**0.71**	**2.78**	**4.17**	**1.73**	**1.63**	**2.63**	**8.02**
No adjusted gross income	65.57	41.23	29.00	31.27	3.95	4.77	19.08	36.48	21.14	29.01	16.07	32.76
$1 under $5,000	50.85	57.53	86.55	87.54	2.29	3.06	20.58	28.43	41.50	49.88	15.95	51.46
$5,000 under $10,000	45.10	48.46	44.47	46.71	1.87	2.23	19.56	24.74	29.45	35.22	12.01	29.46
$10,000 under $15,000	47.90	44.38	38.88	49.27	1.90	2.23	14.11	19.39	28.13	35.17	9.78	28.22
$15,000 under $20,000	33.72	34.30	40.91	42.34	2.37	2.93	11.95	16.99	22.21	27.70	10.48	22.77
$20,000 under $25,000	39.72	41.68	35.51	41.53	2.77	3.52	11.07	16.55	22.31	26.17	11.81	22.68
$25,000 under $30,000	28.88	32.84	22.77	34.58	2.92	3.85	10.62	15.06	24.16	25.24	11.98	35.95
$30,000 under $40,000	17.16	19.40	18.72	24.28	2.22	3.16	8.81	12.81	12.86	19.09	7.84	28.38
$40,000 under $50,000	17.90	22.91	16.42	20.13	2.36	3.57	9.46	12.45	12.07	13.75	9.58	17.71
$50,000 under $75,000	11.05	13.22	11.47	13.58	1.67	2.57	6.78	9.35	7.58	9.69	6.92	25.87
$75,000 under $100,000	11.51	12.84	11.66	12.98	2.05	3.07	8.06	10.95	6.61	8.14	7.87	15.71
$100,000 under $200,000	6.69	7.49	8.41	9.16	1.52	2.02	6.69	10.44	3.09	3.75	6.85	18.63
$200,000 under $500,000	4.75	5.43	6.52	6.99	1.45	1.92	8.48	12.93	2.42	2.68	7.90	14.76
$500,000 under $1,000,000	3.90	4.45	7.22	8.22	1.66	2.28	12.95	15.49	2.65	3.02	10.05	17.27
$1,000,000 under $1,500,000	3.66	4.34	9.19	9.59	1.94	2.80	17.99	23.38	3.22	3.70	11.18	18.47
$1,500,000 under $2,000,000	2.75	3.49	7.66	8.40	1.54	2.60	16.62	26.63	2.80	3.99	8.93	19.23
$2,000,000 under $5,000,000	1.44	1.77	5.33	5.73	2.28	10.28	10.14	11.30	1.79	2.56	5.67	18.14
$5,000,000 under $10,000,000	1.22	1.46	5.84	6.18	0.84	1.60	12.72	14.87	1.78	2.45	5.32	6.46
$10,000,000 or more	–	–	–	–	0.05	0.35	–	–	0.15	0.16	–	–
Taxable returns, total	**2.86**	**1.11**	**4.40**	**4.56**	**0.62**	**0.88**	**3.05**	**4.55**	**1.76**	**1.64**	**2.99**	**9.14**
No adjusted gross income	–	–	**	**	24.21	17.30	–	–	46.53	57.31	45.24	44.61
$1 under $5,000	70.60	77.30	–	–	18.02	19.32	–	–	–	–	70.67	92.99
$5,000 under $10,000	88.07	86.26	–	–	6.96	9.29	41.36	49.11	90.75	70.79	30.30	47.48
$10,000 under $15,000	99.93	99.93	** 70.54	** 69.46	4.09	4.92	16.84	22.03	50.04	54.29	14.73	35.81
$15,000 under $20,000	66.48	59.52	63.37	64.88	4.10	5.18	15.66	21.82	29.14	34.56	14.67	29.06
$20,000 under $25,000	57.42	55.89	45.78	56.79	4.06	5.29	12.57	19.01	31.84	38.39	14.25	28.13
$25,000 under $30,000	40.18	52.63	28.18	37.46	4.20	5.77	12.77	18.43	28.24	30.58	13.96	41.67
$30,000 under $40,000	20.72	23.47	23.41	27.64	2.79	4.14	9.82	14.93	14.24	21.64	8.43	29.92
$40,000 under $50,000	22.65	30.50	17.98	22.44	2.71	4.16	10.65	14.09	12.92	14.93	10.32	18.76
$50,000 under $75,000	11.61	13.88	12.25	14.45	1.79	2.77	6.93	9.60	7.83	10.08	7.09	27.70
$75,000 under $100,000	11.78	13.22	11.85	13.24	2.08	3.12	8.09	11.02	6.62	8.17	7.92	15.87
$100,000 under $200,000	6.72	7.53	8.46	9.23	1.53	2.03	6.71	10.50	3.10	3.76	6.86	18.67
$200,000 under $500,000	4.76	5.44	6.53	7.00	1.45	1.92	8.49	12.97	2.43	2.68	7.92	14.81
$500,000 under $1,000,000	3.90	4.45	7.22	8.22	1.66	2.28	12.98	15.53	2.65	3.02	10.07	17.32
$1,000,000 or more	1.34	0.80	4.87	5.07	1.03	3.50	10.54	12.27	1.59	1.90	5.01	8.72
Nontaxable returns, total	**12.62**	**13.98**	**12.65**	**15.34**	**0.76**	**1.28**	**6.79**	**10.44**	**9.83**	**12.35**	**5.53**	**16.76**

Footnotes at end of table.

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Statutory adjustments--continued										Basic standard deduction	
	Alimony paid		Self-employed health insurance deduction		Medical savings account deduction		Certain business expenses of reservist, performing artist, etc.		Other adjustments [1]			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(143)	(144)	(145)	(146)	(147)	(148)	(149)	(150)	(151)	(152)	(153)	(154)
All returns, total	**3.41**	**3.26**	**1.10**	**1.21**	**17.40**	**17.26**	**8.63**	**13.85**	**7.48**	**11.15**	**0.15**	**0.21**
No adjusted gross income	16.22	19.17	5.99	6.55	79.78	80.86	80.26	86.59	43.74	53.25	--	--
$1 under $5,000	28.54	33.83	7.26	9.35	--	--	58.82	84.57	49.53	59.50	0.82	0.94
$5,000 under $10,000	30.38	32.82	6.83	8.46	--	--	45.24	58.62	66.28	91.66	0.84	0.87
$10,000 under $15,000	26.80	27.19	6.15	7.59	75.33	82.03	35.65	65.71	33.82	45.88	0.86	0.90
$15,000 under $20,000	19.81	25.38	5.80	7.21	99.92	99.92	32.34	56.20	35.56	68.54	0.92	0.96
$20,000 under $25,000	23.61	30.25	5.94	7.53	72.51	88.01	64.90	69.91	30.39	48.13	1.00	1.04
$25,000 under $30,000	21.11	24.31	6.23	7.65	--	--	30.48	54.95	36.14	50.36	1.12	1.16
$30,000 under $40,000	16.01	24.57	4.58	5.56	60.22	68.00	30.32	44.94	30.86	54.20	0.92	0.96
$40,000 under $50,000	12.20	14.99	4.82	6.21	58.68	63.82	34.17	48.69	23.15	39.82	1.10	1.16
$50,000 under $75,000	8.57	11.15	3.46	4.18	** 25.49	** 27.12	20.03	28.23	18.53	32.22	0.94	0.97
$75,000 under $100,000	10.39	13.99	4.06	4.91	**	**	24.34	33.12	25.06	38.78	1.70	1.73
$100,000 under $200,000	7.16	8.08	2.49	2.84	**	**	18.74	25.08	16.50	24.72	2.26	2.31
$200,000 under $500,000	6.07	6.89	2.11	2.43	** 20.37	** 19.19	32.60	46.88	** 14.40	** 20.54	3.87	3.99
$500,000 under $1,000,000	6.10	7.26	2.19	2.54	**	**	93.78	93.78	**	**	4.28	4.33
$1,000,000 under $1,500,000	6.70	8.72	2.47	2.80	**	**	71.96	63.05	25.55	40.91	5.41	5.57
$1,500,000 under $2,000,000	5.81	8.13	2.03	2.40	**	**	--	--	21.56	48.83	4.69	4.80
$2,000,000 under $5,000,000	3.24	4.45	1.22	1.40	**	**	58.87	72.25	14.07	26.99	3.32	3.40
$5,000,000 under $10,000,000	2.97	3.78	1.18	1.35	**	**	--	--	9.36	0.33	3.89	3.99
$10,000,000 or more	--	--	0.07	0.08	**	**	--	--	--	--	--	--
Taxable returns, total	**3.62**	**3.40**	**1.25**	**1.34**	**19.06**	**18.40**	**9.46**	**15.56**	**8.36**	**11.63**	**0.32**	**0.35**
No adjusted gross income	35.25	40.79	18.79	19.49	--	--	--	--	--	--	--	--
$1 under $5,000	--	--	99.64	99.64	--	--	--	--	--	--	3.16	3.92
$5,000 under $10,000	99.92	99.92	24.72	29.33	--	--	99.95	99.95	70.68	99.43	1.63	1.66
$10,000 under $15,000	55.53	48.24	11.06	13.62	--	--	41.22	86.14	57.66	73.56	1.25	1.26
$15,000 under $20,000	23.36	27.39	8.97	11.34	--	--	41.19	77.71	44.70	56.01	1.29	1.33
$20,000 under $25,000	26.21	32.85	7.75	9.39	72.51	88.01	99.95	99.95	49.81	72.39	1.32	1.37
$25,000 under $30,000	22.65	25.70	8.54	10.89	--	--	38.11	62.00	45.87	68.05	1.38	1.44
$30,000 under $40,000	16.55	27.08	5.56	6.80	99.92	99.92	33.56	54.19	36.21	55.88	1.04	1.08
$40,000 under $50,000	13.66	17.10	5.43	7.07	58.68	63.82	36.17	55.45	26.11	45.96	1.17	1.23
$50,000 under $75,000	8.69	11.43	3.72	4.53	** 26.33	** 27.91	20.21	28.81	19.07	32.43	0.95	0.99
$75,000 under $100,000	10.47	14.36	4.15	5.03	**	**	24.34	33.12	25.08	38.86	1.70	1.73
$100,000 under $200,000	7.17	8.11	2.50	2.86	**	**	18.74	25.08	16.51	24.72	2.26	2.31
$200,000 under $500,000	6.08	6.91	2.11	2.44	** 20.40	** 19.21	32.60	46.88	** 14.42	** 20.56	3.90	4.02
$500,000 under $1,000,000	6.11	7.27	2.19	2.54	**	**	93.78	93.78	**	**	4.31	4.36
$1,000,000 or more	2.96	3.30	1.14	1.28	**	**	45.73	55.30	12.45	17.42	3.12	3.24
Nontaxable returns, total	**10.09**	**11.27**	**2.45**	**3.02**	**42.51**	**46.59**	**20.99**	**30.31**	**16.73**	**32.47**	**0.37**	**0.41**

Footnotes at end of table

Table 1.4CV--Coefficient of Variation for All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Additional standard deduction		Total itemized deductions		Exemptions		Taxable income		Alternative minimum tax		Income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(155)	(156)	(157)	(158)	(159)	(160)	(161)	(162)	(163)	(164)	(165)	(166)
All returns, total	**0.80**	**0.84**	**0.26**	**0.27**	**0.15**	**0.16**	**0.12**	**0.12**	**0.67**	**0.77**	**0.12**	**0.16**
No adjusted gross income	--	--	--	--	1.82	1.82	--	--	15.86	26.27	14 74	26.24
$1 under $5,000	3.09	3.18	4.58	5.68	1.34	1.34	3.11	4 15	72.83	45.77	3.11	4.97
$5,000 under $10,000	2.57	2.64	3.63	4.53	1.09	1.09	1 49	1.98	58.33	50.39	1.49	2 15
$10,000 under $15,000	2.34	2.42	2.75	3.54	1.00	1.00	1.13	1.28	78 21	63.06	1.13	1.32
$15,000 under $20,000	2.48	2.57	2.50	2.98	1.02	1.02	1.03	1.16	50.88	41.24	1.03	1.20
$20,000 under $25,000	2.95	3.08	2.31	2.67	1.08	1.08	0.97	1.10	49.14	52.10	0.97	1.14
$25,000 under $30,000	3.33	3 49	2.14	2.62	1.16	1.16	1.01	1.11	61.49	77.39	1.01	1.16
$30,000 under $40,000	2.71	2.84	1.37	1.56	0.90	0.90	0.76	0.82	38.78	57.52	0.76	0.85
$40,000 under $50,000	3.12	3.27	1.31	1.49	0.96	0.96	0.78	0.83	26.77	37.56	0.78	0.87
$50,000 under $75,000	2.38	2.52	0.78	0.90	0.64	0.64	0.50	0.54	8.25	11.81	0.50	0.58
$75,000 under $100,000	3.52	3.69	0.88	1.02	0.84	0.84	0.71	0.73	6.83	10.96	0.71	0.77
$100,000 under $200,000	3.91	4.08	0.65	0.75	0.69	0.69	0.58	0.58	1.85	3.18	0.58	0.59
$200,000 under $500,000	6.47	6.76	0.72	0.86	0.80	0.97	0.69	0.65	0.79	1.15	0.69	0.65
$500,000 under $1,000,000	8.04	8.43	0.99	1.19	1.10	1.12	0.95	0.85	** 1.19	** 1.01	0.94	0.87
$1,000,000 under $1,500,000	10.36	10.62	1.19	1.57	1.34	1.36	1.16	1.12	**	**	1.15	1.15
$1,500,000 under $2,000,000	8.09	8.35	0.89	1.39	1.00	1.02	0.86	0.88	**	**	0.86	0.91
$2,000,000 under $5,000,000	6.54	6.71	1.02	0.76	0.66	0.60	0.99	1.23	**	**	0.99	1.51
$5,000,000 under $10,000,000	7.50	7.40	0.54	0.62	0.62	0.63	0.54	0.45	**	**	0.54	0.48
$10,000,000 or more	--	--	0.02	0.01	0.03	0.03	0.02	0.01	**	**	0.02	0.02
Taxable returns, total	**0.98**	**1.02**	**0.29**	**0.27**	**0.20**	**0.20**	**0.15**	**0.13**	**0.67**	**0.77**	**0.15**	**0.17**
No adjusted gross income	--	--	--	--	20.05	20.08	--	--	16.89	26.39	16.87	26.39
$1 under $5,000	50.56	50.58	34.72	36.85	52.77	52.78	3.15	4.17	65.54	51.27	3 15	4 99
$5,000 under $10,000	12.64	12.71	17.45	21.57	3 65	3.65	1 62	2.09	58.58	50.86	1.62	2 27
$10,000 under $15,000	3.15	3.18	5.51	5.71	1.35	1.35	1 22	1.36	78.59	63.14	1.22	1.40
$15,000 under $20,000	3.22	3.31	4 02	4.18	1.32	1.32	1.23	1.31	53.86	42.65	1.23	1.35
$20,000 under $25,000	3.07	3 21	3.21	3.37	1.31	1.31	1 21	1.31	49.14	52.10	1 21	1.34
$25,000 under $30,000	3.41	3.57	2.77	2.94	1.32	1.32	1.23	1.29	61.49	77.39	1.23	1.33
$30,000 under $40,000	2.74	2 88	1.61	1.74	0.95	0.95	0.85	0.90	42.37	58.52	0.85	0.92
$40,000 under $50,000	3.13	3 28	1.46	1.59	0.99	0.99	0.85	0.88	26.80	38.29	0.85	0.92
$50,000 under $75,000	2.38	2.52	0.82	0.92	0.65	0.65	0.53	0.55	8.46	12.03	0.53	0.59
$75,000 under $100,000	3.52	3.69	0.89	1.00	0.85	0.85	0.72	0.73	6.88	10.98	0.72	0.77
$100,000 under $200,000	3.91	4.08	0.65	0.74	0 69	0.69	0.58	0.58	1.85	3.19	0.58	0.59
$200,000 under $500,000	6 48	6.77	0.72	0.87	0.80	0.97	0.69	0.65	0.79	1.15	0 69	0.65
$500,000 under $1,000,000	8.06	8.45	0.99	1.21	1.11	1.12	0.95	0.86	** 1.19	** 1 01	0.95	0.87
$1,000,000 or more	5.92	6.02	0.56	0.31	0.59	0.60	0.54	0.34	**	**	0.54	0.43
Nontaxable returns, total	**1.52**	**1.59**	**1.05**	**1.29**	**0.44**	**0.44**	**0.74**	**0.97**	**23.04**	**30.60**	**0.74**	**0.99**

[1] Other adjustments does not include the foreign housing adjustment.

** Data combined to avoid disclosure of information for specific taxpayers

Table 1.5--All Returns: Sources of Income, Adjustments, and Tax Items, by Age

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Age [1]	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest		Tax-exempt interest		Ordinary dividends		Qualified dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	**138,394,754**	**8,030,842,945**	**116,379,376**	**5,469,370,119**	**62,401,235**	**222,707,445**	**6,038,822**	**72,970,971**	**31,619,775**	**199,359,146**	**26,584,184**	**137,195,800**
Under 18	3,171,465	15,253,801	2,351,088	8,768,541	953,703	685,829	80,803	194,612	834,444	1,199,812	762,813	805,241
18 under 35	45,860,531	1,334,051,951	43,952,944	1,236,621,018	10,522,931	7,702,758	368,491	1,390,599	4,035,309	6,488,450	3,400,292	4,191,051
35 under 45	26,539,754	1,774,983,198	24,713,520	1,466,915,489	10,526,993	22,562,516	547,324	3,839,392	4,591,879	16,624,147	3,805,913	10,925,323
45 under 55	25,642,275	2,107,230,338	23,586,542	1,591,954,851	13,407,351	38,973,252	1,033,099	11,403,589	6,454,841	35,420,043	5,327,216	23,624,799
55 under 65	18,418,709	1,594,904,150	15,429,675	956,825,802	11,884,692	50,474,419	1,267,599	16,194,238	6,364,852	45,425,479	5,332,329	30,756,343
65 and over	18,762,020	1,204,419,506	6,345,607	208,284,418	15,105,567	102,308,672	2,741,505	39,948,541	9,338,450	94,201,216	7,955,621	66,893,043

Age [1]	State income tax refunds		Alimony received		Business or profession				Capital gain distributions		Sales of capital assets	
					Net income		Net loss				Taxable net gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	**22,964,214**	**24,206,006**	**441,514**	**8,120,381**	**16,209,687**	**330,265,386**	**5,446,722**	**48,738,126**	**4,599,135**	**8,416,731**	**13,427,079**	**789,797,297**
Under 18	12,418	11,932	–	–	63,518	164,667	6,898	21,288	229,686	438,973	357,815	3,193,825
18 under 35	3,445,383	2,569,969	13,279	147,696	3,853,978	40,628,292	1,054,217	7,212,704	878,271	726,378	1,624,871	30,562,365
35 under 45	6,056,938	6,061,798	86,371	1,291,096	3,982,116	76,156,860	1,319,077	12,064,985	755,199	823,151	1,900,299	107,679,518
45 under 55	6,791,883	7,294,287	155,601	3,036,235	3,966,895	105,095,934	1,392,799	12,948,828	934,560	1,716,056	2,614,145	187,156,571
55 under 65	4,562,954	5,232,013	127,683	2,563,224	2,805,777	77,241,193	1,044,358	10,177,709	765,009	1,608,225	2,733,150	209,991,497
65 and over	2,094,638	3,036,007	58,580	1,082,130	1,537,404	30,978,441	629,372	6,312,613	1,036,409	3,103,948	4,196,799	251,213,521

Age [1]	Sales of capital assets reported on Form 1040, Schedule D											
	Taxable net loss		Short-term capital gain		Short-term capital loss		Short-term loss carryover		Net short-term gain from sales of capital assets		Net short-term loss from sales of capital assets	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total	**8,641,990**	**18,751,674**	**5,337,951**	**52,308,971**	**5,188,636**	**129,803,389**	**1,931,034**	**105,089,820**	**5,319,838**	**33,524,258**	**3,623,253**	**27,126,470**
Under 18	212,151	414,101	139,827	228,466	129,761	383,292	64,611	325,793	135,070	129,616	71,711	59,098
18 under 35	1,067,122	1,866,385	750,984	4,122,030	574,255	5,304,357	158,623	3,245,551	730,024	2,034,369	434,281	2,032,156
35 under 45	1,331,783	2,737,658	850,057	11,090,625	848,514	19,536,022	302,861	15,347,722	850,505	5,952,514	601,912	4,423,527
45 under 55	1,860,506	4,061,164	1,101,298	14,110,401	1,159,298	33,417,242	454,726	27,395,007	1,101,841	9,281,145	791,427	6,806,897
55 under 65	1,799,452	4,115,738	1,080,285	11,259,539	1,098,650	35,204,402	434,331	29,920,511	1,099,313	8,184,163	759,791	6,142,336
65 and over	2,370,975	5,556,628	1,415,500	11,497,909	1,378,157	35,958,074	515,882	28,855,236	1,403,085	7,942,450	964,130	7,662,456

Footnotes at end of table.

Table 1.5--All Returns: Sources of Income, Adjustments, and Tax Items, by Age--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Age [1]	Sales of capital assets reported on Form 1040, Schedule D--continued											
	Short-term gain from other forms (2119, 4797, etc.)		Short-term loss from other forms (4684, 6781, and 8824)		Net short-term partnership/ S-corporation gain		Net short-term partnership/ S-corporation loss		Long-term capital gain		Long-term capital loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	**146,529**	**4,688,907**	**178,867**	**1,365,522**	**731,903**	**21,706,855**	**353,257**	**3,833,841**	**12,670,217**	**763,742,508**	**7,257,803**	**208,022,674**
Under 18	* 1,312	* 2,047	2,761	3,289	19,004	118,886	9,165	17,195	353,572	3,041,865	189,468	1,105,254
18 under 35	7,568	1,193,955	11,893	41,761	68,668	1,143,462	35,270	234,646	1,404,290	27,383,049	844,798	8,953,674
35 under 45	22,886	1,184,855	27,621	278,389	102,021	5,135,535	41,580	668,709	1,677,876	100,049,460	1,016,867	23,932,417
45 under 55	33,092	1,076,902	44,206	411,845	157,242	5,945,038	75,144	997,216	2,451,155	179,105,711	1,506,338	46,676,505
55 under 65	40,364	594,775	46,170	383,331	154,596	4,642,042	81,505	919,666	2,638,935	206,171,190	1,551,368	55,896,307
65 and over	41,307	636,373	46,216	246,907	230,372	4,721,891	110,593	996,410	4,144,389	247,991,233	2,148,963	71,458,517

Age [1]	Sales of capital assets reported on Form 1040, Schedule D--continued											
	Net long-term gain from sales of capital assets		Net long-term loss from sales of capital assets		Long-term loss carryover		Long-term gain from other forms (2119, 4797, etc.)		Long-term loss from other forms (4684, 6781, and 8824)		Net long-term partnership/ S-corporation gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All returns, total	**9,191,345**	**339,029,650**	**4,660,800**	**50,994,393**	**5,464,418**	**201,030,762**	**2,360,983**	**233,813,815**	**141,298**	**1,527,883**	**1,514,318**	**189,676,169**
Under 18	254,767	1,262,869	102,363	255,042	156,555	1,091,309	14,322	476,549	2,656	4,861	41,511	1,078,953
18 under 35	990,292	11,850,915	555,129	3,172,133	498,708	6,826,548	128,624	7,852,350	10,423	52,207	129,158	7,044,229
35 under 45	1,167,858	41,928,410	650,486	6,273,575	690,231	22,024,879	313,457	29,699,124	20,845	330,822	194,985	29,408,325
45 under 55	1,766,689	74,057,399	900,061	9,627,667	1,123,747	45,784,071	469,529	53,431,487	37,695	507,873	307,255	52,159,269
55 under 65	1,944,313	91,256,157	974,793	13,394,275	1,213,337	54,838,640	577,813	66,111,732	39,699	412,554	350,483	49,577,129
65 and over	3,067,427	118,673,901	1,477,968	18,271,701	1,781,840	70,465,316	857,239	76,242,572	29,980	219,565	490,925	50,408,263

Age [1]	Sales of capital assets reported on Form 1040, Schedule D--cont				Sale of property other than capital assets				Taxable IRA distributions	
	Net long-term partnership/ S-corporation loss		Schedule D capital gain distributions		Net gain		Net loss			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
All returns, total	**407,026**	**4,260,226**	**9,911,970**	**51,000,528**	**894,821**	**14,020,711**	**883,982**	**9,819,064**	**9,965,065**	**124,705,552**
Under 18	5,188	11,815	301,312	481,267	3,420	2,143	5,288	1,311	9,408	49,873
18 under 35	39,175	257,393	1,022,311	1,990,162	75,903	944,006	86,082	506,362	385,783	1,964,099
35 under 45	46,115	462,156	1,107,154	4,169,954	159,922	2,701,367	182,427	2,074,598	614,897	6,317,595
45 under 55	95,129	1,170,764	1,805,985	9,870,959	227,355	3,506,737	229,318	2,704,397	861,892	10,653,135
55 under 65	91,979	1,165,438	2,122,245	13,134,981	205,127	3,870,577	200,031	2,582,910	1,521,290	27,882,310
65 and over	129,440	1,192,660	3,552,963	21,353,205	223,095	2,995,880	180,836	1,949,487	6,571,795	77,838,541

Footnotes at end of table.

Table 1.5--All Returns: Sources of Income, Adjustments, and Tax Items, by Age--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Age [1]	Pensions and annuities				Rent				Royalty			
	Total		Taxable		Net income		Net loss (includes nondeductible loss)		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(71)	(72)	(73)	(74)	(75)	(73)	(77)	(78)	(79)	(80)	(81)	(82)
All returns, total	**26,511,367**	**780,831,489**	**24,098,220**	**450,454,465**	**3,945,510**	**53,607,878**	**5,200,270**	**64,256,741**	**1,463,190**	**17,360,823**	**40,159**	**320,028**
Under 18	21,304	149,884	20,305	114,785	* 2,641	* 5,717	* 1,614	* 10,497	10,454	58,791	–	–
18 under 35	1,791,497	13,941,613	1,366,148	6,443,415	165,698	885,672	543,295	6,867,960	51,188	665,129	1,233	1,332
35 under 45	2,241,816	43,451,889	1,654,911	14,632,691	450,906	4,060,321	1,104,664	15,009,848	134,879	1,053,998	4,607	67,242
45 under 55	3,103,924	94,707,156	2,442,397	33,654,529	840,810	9,982,389	1,468,234	19,092,604	275,060	3,117,730	7,017	45,994
55 under 65	6,339,672	261,871,218	5,837,394	134,592,014	999,353	15,025,527	1,178,255	14,815,776	351,952	4,383,587	8,717	74,994
65 and over	13,013,154	366,709,729	12,777,065	261,017,030	1,486,101	23,648,251	904,208	8,460,056	639,659	8,081,588	18,586	130,466

Age [1]	Farm rental				Total rental and royalty				Partnership and S Corporation			
	Net income		Net loss		Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(83)	(84)	(85)	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)
All returns, total	**462,724**	**3,609,088**	**125,974**	**611,692**	**5,329,744**	**73,354,079**	**4,658,255**	**49,926,987**	**5,022,308**	**528,224,522**	**2,596,993**	**102,747,208**
Under 18	* 624	* 18,572	–	–	13,719	81,597	* 657	* 6,520	40,235	841,786	17,905	277,638
18 under 35	8,003	54,587	* 1,006	* 4,390	220,629	1,584,499	494,289	5,473,234	564,932	26,460,535	281,224	5,917,535
35 under 45	18,164	88,401	6,942	35,670	568,529	5,082,284	981,141	11,496,188	1,134,725	116,715,166	575,611	18,947,234
45 under 55	60,540	306,421	22,718	138,598	1,074,966	13,165,106	1,271,359	14,336,617	1,386,596	175,419,289	659,761	30,174,304
55 under 65	84,243	530,215	37,515	149,767	1,313,813	19,567,664	1,063,636	11,443,905	1,062,827	133,917,958	596,451	27,896,514
65 and over	291,150	2,610,893	57,794	283,267	2,138,088	33,872,929	847,173	7,170,523	832,993	74,869,788	466,042	19,533,983

Age [1]	Estate and trust				Farm				Unemployment compensation		Social security benefits	
	Net income		Net loss		Net income		Net loss				Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)	(106)
All returns, total	**550,919**	**19,125,097**	**44,685**	**1,941,673**	**551,965**	**7,683,980**	**1,406,308**	**23,015,298**	**7,378,438**	**26,523,665**	**20,609,364**	**339,754,476**
Under 18	13,449	238,986	* 1,793	* 41,924	* 5,306	* 7,552	* 2,566	* 4,646	* 2,748	* 2,913	80,461	739,645
18 under 35	63,548	1,862,226	6,590	161,251	60,193	726,137	118,789	1,512,980	2,242,281	6,970,374	188,779	1,552,156
35 under 45	44,742	1,861,554	4,281	255,441	84,921	1,064,383	222,953	3,458,820	1,859,623	7,069,380	358,258	4,149,935
45 under 55	96,612	3,124,537	6,493	377,494	140,593	2,522,674	352,503	5,926,522	1,885,315	7,048,445	824,722	11,182,959
55 under 65	117,502	4,156,422	9,798	483,064	125,548	1,932,893	334,553	6,366,819	1,111,395	4,533,712	3,159,878	43,194,445
65 and over	215,065	7,881,372	15,731	622,500	135,405	1,430,341	374,944	5,745,512	277,076	898,841	15,997,265	278,935,337

Footnotes at end of table.

Table 1.5--All Returns: Sources of Income, Adjustments, and Tax Items, by Age--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Age [1]	Social security benefits		Foreign earned income exclusion		Other income				Net operating loss		Gambling earnings	
	Taxable				Net income		Net loss					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)	(116)	(117)	(118)
All returns, total	**13,749,185**	**144,403,839**	**329,264**	**18,154,653**	**5,830,163**	**37,473,251**	**346,790**	**7,534,789**	**916,899**	**80,795,920**	**1,871,292**	**27,902,023**
Under 18	9,175	58,351	* 159	* 7,544	64,882	282,125	* 51	* 20,090	6,919	59,253	* 650	* 15,661
18 under 35	43,764	210,598	77,017	3,395,068	1,112,351	5,067,112	101,537	1,830,580	80,110	2,998,078	172,998	1,824,230
35 under 45	165,055	1,212,396	97,776	5,786,392	1,062,356	7,175,894	90,256	2,117,661	125,728	9,845,385	283,315	3,980,272
45 under 55	492,137	4,071,236	84,788	5,146,105	1,268,811	8,870,212	71,504	1,728,970	179,995	19,502,934	457,217	7,405,855
55 under 65	2,200,945	18,772,512	56,761	3,262,722	1,155,128	8,634,108	47,727	1,235,836	204,159	23,220,304	539,532	8,451,911
65 and over	10,838,108	120,078,746	12,762	556,822	1,166,634	7,443,800	35,715	601,654	319,988	25,169,966	417,580	6,224,094

Age [1]	Statutory adjustments											
	Total		IRA Payments		Jury duty pay deduction		Student loan interest deduction		Educator expenses deduction		Tuition and fees deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(119)	(120)	(121)	(122)	(123)	(124)	(125)	(126)	(127)	(128)	(129)	(130)
All returns, total	**33,980,524**	**113,845,357**	**3,230,531**	**12,533,506**	**57,259**	**51,814**	**8,540,900**	**6,156,865**	**3,166,931**	**805,568**	**4,015,828**	**9,620,615**
Under 18	81,550	51,234	8,355	21,065	--	--	--	--	--	--	* 48	* 192
18 under 35	10,271,832	14,578,029	435,673	967,205	10,275	2,367	4,818,643	3,395,199	856,595	218,476	1,380,080	3,369,781
35 under 45	7,354,471	22,160,000	527,166	1,668,643	9,944	1,644	1,665,868	1,290,466	753,323	191,806	733,230	1,509,190
45 under 55	8,033,961	35,951,312	932,888	3,532,270	19,870	34,380	1,334,144	941,492	804,258	203,533	1,351,332	3,402,438
55 under 65	5,524,325	29,984,260	960,674	4,537,805	15,825	13,387	646,748	464,843	635,382	163,622	489,653	1,222,011
65 and over	2,714,385	11,120,523	365,774	1,806,517	1,345	35	75,496	64,864	117,372	28,131	61,484	117,003

Age [1]	Statutory adjustments--continued											
	Domestic production activities deduction		Health savings account deduction		Deduction for self-employment tax		Moving expense adjustment		Payments to a Keogh plan		Penalty on early withdrawal of savings	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(131)	(132)	(133)	(134)	(135)	(136)	(137)	(138)	(139)	(140)	(141)	(142)
All returns, total	**421,128**	**3,303,121**	**358,968**	**868,560**	**17,074,708**	**23,925,376**	**1,082,576**	**3,159,251**	**1,228,299**	**22,011,551**	**1,164,171**	**429,850**
Under 18	4,828	10,276	--	--	66,703	14,150	* 685	* 1,986	* 8	* 213	* 3,299	* 115
18 under 35	41,206	142,608	57,293	76,913	3,860,572	3,055,579	483,170	1,031,482	62,699	735,764	150,478	25,559
35 under 45	90,732	567,147	97,390	216,429	4,147,473	5,853,373	278,392	888,156	241,616	4,033,671	134,084	45,028
45 under 55	137,703	1,096,546	106,066	276,580	4,280,822	7,397,554	195,561	792,865	415,872	7,603,750	236,010	98,383
55 under 65	88,443	895,396	87,242	276,291	3,043,610	5,438,861	105,173	355,937	368,447	7,342,760	230,529	72,763
65 and over	58,215	591,148	10,976	22,346	1,675,527	2,165,859	19,594	88,826	139,656	2,295,393	409,771	188,003

Footnotes at end of table.

Table 1.5--All Returns: Sources of Income, Adjustments, and Tax Items, by Age--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars.)

Age [1]	Statutory adjustments--continued										Basic standard deduction	
	Alimony paid		Self-employed health insurance deduction		Medical savings account deduction		Certain business expenses of reservist, performing artist, etc.		Other adjustments [2]			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(143)	(144)	(145)	(146)	(147)	(148)	(149)	(150)	(151)	(152)	(153)	(154)
All returns, total	**585,286**	**9,115,764**	**3,804,190**	**20,302,533**	**18,668**	**35,106**	**120,468**	**368,258**	**137,296**	**1,073,988**	**86,583,732**	**590,487,763**
Under 18	--	--	* 1,668	* 445	--	--	* 1,007	* 2,792	--	--	2,978,687	8,153,927
18 under 35	16,514	120,609	396,974	1,158,899	1,667	3,175	42,729	131,082	31,329	133,410	37,772,907	230,943,488
35 under 45	102,415	1,316,256	786,662	4,097,515	2,705	5,819	34,002	105,437	25,704	338,189	14,252,044	107,007,259
45 under 55	185,887	3,342,563	1,131,284	6,794,993	6,838	14,067	32,360	93,422	34,256	299,592	12,047,657	91,059,998
55 under 65	166,967	3,015,838	930,370	5,946,802	7,430	12,007	9,240	33,873	30,436	177,811	8,513,038	67,178,303
65 and over	113,503	1,320,497	557,232	2,303,879	28	39	1,130	1,650	15,571	124,986	11,019,399	86,144,789

Age [1]	Additional standard deduction		Total itemized deductions		Exemptions		Taxable income		Alternative minimum tax		Income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(155)	(156)	(157)	(158)	(159)	(160)	(161)	(162)	(163)	(164)	(165)	(166)
All returns, total	**11,261,327**	**16,976,422**	**49,123,555**	**1,229,237,288**	**275,256,944**	**891,911,609**	**106,667,402**	**5,579,145,443**	**3,966,540**	**21,564,586**	**106,688,255**	**1,082,855,370**
Under 18	--	--	41,981	572,514	201,063	651,961	1,211,857	7,217,762	13,805	17,052	1,209,647	1,211,428
18 under 35	20,120	22,921	7,640,198	143,883,827	75,306,556	247,493,852	32,748,098	777,150,920	249,261	959,910	32,744,688	123,619,784
35 under 45	26,872	29,913	11,934,090	295,652,384	73,623,168	238,361,950	21,558,862	1,184,578,085	1,022,154	4,214,007	21,569,532	232,199,023
45 under 55	55,086	59,883	13,217,023	340,806,837	62,029,137	198,795,825	21,839,484	1,528,206,529	1,305,296	6,284,999	21,845,220	315,332,249
55 under 65	277,989	294,416	9,504,981	252,919,890	34,662,769	111,227,094	15,827,975	1,206,794,825	810,704	5,123,541	15,833,785	246,099,857
65 and over	10,881,261	16,569,289	6,785,281	195,401,837	29,434,252	95,380,928	13,481,125	875,197,321	565,320	4,965,077	13,485,382	164,393,030

[1] Age for joint returns was based on the primary taxpayer's age.

[2] Other adjustments does not include the foreign housing adjustment.

* Estimate should be used with caution due to the small number of sample returns on which it is based.

NOTE: Detail may not add to totals because of rounding

Table 2.1--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest		Tax-exempt interest		Ordinary dividends		Qualified dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	**49,123,555**	**5,703,411,397**	**42,242,629**	**3,606,296,025**	**34,125,046**	**159,584,048**	**4,222,541**	**62,680,581**	**18,716,079**	**164,852,577**	**16,016,413**	**116,974,712**
Under $5,000	345,274	897,728	114,916	1,370,056	226,825	366,563	13,502	49,614	126,203	164,291	96,027	82,724
$5,000 under $10,000	577,704	4,483,242	236,776	2,793,486	343,909	600,307	31,121	255,215	182,878	365,860	145,357	169,449
$10,000 under $15,000	1,029,474	12,993,491	463,069	6,078,413	636,885	1,303,032	48,614	204,290	321,658	847,236	272,066	404,304
$15,000 under $20,000	1,276,531	22,530,397	747,491	12,605,720	722,870	1,522,244	60,199	205,074	360,723	988,411	290,512	554,716
$20,000 under $25,000	1,536,608	34,732,459	1,085,083	22,791,167	776,363	1,551,189	69,476	390,692	368,623	928,346	299,893	476,664
$25,000 under $30,000	1,821,779	50,189,440	1,427,953	36,255,421	907,565	1,676,105	59,741	365,444	394,444	1,006,729	327,722	577,374
$30,000 under $35,000	2,081,379	67,680,826	1,749,461	52,564,837	1,005,639	1,516,116	59,863	401,506	415,256	885,705	340,917	478,295
$35,000 under $40,000	2,281,800	85,669,887	1,954,846	67,277,956	1,142,756	1,643,559	72,846	636,597	476,829	1,082,227	384,002	588,934
$40,000 under $45,000	2,267,677	96,351,163	2,004,416	77,974,854	1,181,932	1,695,772	72,535	567,260	490,934	1,114,752	405,349	588,526
$45,000 under $50,000	2,278,685	108,268,950	1,994,669	86,130,246	1,306,797	1,909,592	89,668	581,698	585,860	1,609,929	500,993	907,973
$50,000 under $55,000	2,317,981	121,740,422	2,058,165	96,996,423	1,403,196	1,919,727	104,166	619,620	609,341	1,554,254	515,402	907,815
$55,000 under $60,000	2,194,389	126,105,970	1,970,254	101,396,575	1,351,446	2,213,791	93,589	641,415	629,805	1,508,600	508,175	872,081
$60,000 under $75,000	6,306,552	425,271,702	5,728,912	344,435,043	4,183,563	6,786,104	328,186	1,860,407	1,939,111	5,222,127	1,611,857	3,317,460
$75,000 under $100,000	8,297,996	719,121,881	7,601,849	580,068,666	6,166,596	11,307,969	541,039	3,039,371	3,112,698	9,505,286	2,585,833	5,868,146
$100,000 under $200,000	10,655,930	1,426,278,373	9,776,572	1,104,429,416	9,091,338	25,484,506	1,252,847	9,509,204	5,686,497	26,677,872	4,941,400	17,809,929
$200,000 under $500,000	2,962,237	849,219,050	2,592,596	528,108,425	2,798,418	23,450,039	840,610	12,039,853	2,223,436	28,893,432	2,039,944	20,621,678
$500,000 under $1,000,000	552,797	374,776,185	460,767	180,665,715	542,686	13,126,510	265,600	7,373,323	479,821	16,157,826	454,158	11,967,514
$1,000,000 under $1,500,000	142,284	172,251,488	115,716	67,012,876	140,719	7,112,471	82,211	3,730,768	128,990	8,525,136	122,366	6,491,750
$1,500,000 under $2,000,000	61,068	105,182,120	49,259	36,183,730	60,766	4,720,925	39,013	2,476,436	56,379	5,260,351	53,462	4,003,283
$2,000,000 under $5,000,000	95,326	285,253,743	77,197	87,006,716	94,798	13,187,148	65,420	6,523,053	87,951	14,728,599	83,954	11,206,977
$5,000,000 under $10,000,000	24,348	167,220,224	19,904	43,167,501	24,276	8,861,130	18,929	3,692,543	23,319	9,277,897	22,259	7,111,903
$10,000,000 or more	15,735	447,192,655	12,760	70,982,783	15,703	27,629,247	13,365	7,517,198	15,321	28,547,708	14,765	21,967,219
Taxable returns, total	**42,402,082**	**5,495,382,459**	**37,449,643**	**3,447,019,089**	**30,460,751**	**151,944,607**	**3,946,554**	**60,124,310**	**17,118,269**	**159,632,534**	**14,714,818**	**113,832,787**
Nontaxable returns, total	**6,721,474**	**208,028,938**	**4,792,986**	**159,276,936**	**3,664,296**	**7,639,441**	**275,987**	**2,556,271**	**1,597,810**	**5,220,043**	**1,301,595**	**3,141,924**

Size of adjusted gross income	State income tax refunds		Alimony received		Business or profession net income less loss		Sales of capital assets, net gain less loss		Sales of property other than capital assets, net gain less loss		Taxable IRA distributions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	**20,973,322**	**22,831,386**	**241,090**	**6,314,045**	**10,411,923**	**204,959,216**	**16,107,612**	**692,366,058**	**1,162,514**	**4,612,509**	**4,829,457**	**80,887,147**
Under $5,000	39,074	27,077	* 2,440	* 15,656	146,463	377,049	106,051	94,813	11,530	-94,122	25,413	120,428
$5,000 under $10,000	61,428	46,514	* 4,401	* 24,702	204,037	925,945	152,255	232,999	14,407	-33,912	78,148	379,779
$10,000 under $15,000	153,955	101,896	9,269	94,906	298,041	1,643,467	275,158	202,682	12,080	-55,141	158,196	857,978
$15,000 under $20,000	234,404	132,671	10,418	117,436	359,589	2,496,362	299,147	518,119	25,935	23,526	174,497	1,122,116
$20,000 under $25,000	341,760	177,314	14,703	158,660	349,227	2,879,069	290,365	440,179	21,328	-62,541	190,854	1,370,160
$25,000 under $30,000	486,821	249,508	18,602	242,308	359,289	3,410,011	331,511	522,116	30,140	16,755	175,599	1,373,021
$30,000 under $35,000	683,977	360,633	19,349	261,178	381,913	3,212,588	349,791	924,589	21,688	10,023	172,476	1,444,221
$35,000 under $40,000	848,836	480,026	19,623	247,056	395,534	3,582,466	381,299	958,304	26,868	73,986	183,630	1,785,023
$40,000 under $45,000	891,695	498,754	14,368	242,156	408,544	3,584,722	402,890	948,754	27,274	-111,780	167,354	1,626,218
$45,000 under $50,000	956,560	639,560	16,296	276,394	427,282	3,737,292	489,769	1,577,416	28,734	7,238	195,608	2,081,896
$50,000 under $55,000	1,040,965	704,117	14,909	253,651	447,270	4,323,982	498,929	1,319,068	22,943	44,698	198,927	2,358,769
$55,000 under $60,000	1,016,495	697,751	15,525	392,282	415,534	3,716,847	489,084	1,380,567	31,058	-14,139	195,385	2,209,838
$60,000 under $75,000	3,107,855	2,310,829	25,094	700,345	1,236,364	11,839,875	1,583,726	6,376,140	94,218	158,806	577,861	7,390,624
$75,000 under $100,000	4,304,791	3,543,141	25,187	756,206	1,630,082	21,526,259	2,552,904	13,689,573	125,571	169,889	813,178	11,981,899
$100,000 under $200,000	5,435,530	5,759,424	22,776	1,139,375	2,309,730	53,885,439	4,920,065	50,204,747	272,019	745,859	1,105,227	26,281,866
$200,000 under $500,000	1,020,503	2,200,960	6,029	832,136	807,752	48,463,149	2,177,787	84,589,099	217,543	540,396	326,825	12,697,890
$500,000 under $1,000,000	197,015	1,058,601	1,603	401,144	147,743	14,704,294	486,576	65,159,348	88,972	357,432	57,436	3,397,017
$1,000,000 under $1,500,000	58,366	568,988	230	27,497	36,039	4,868,337	132,504	40,076,865	31,370	51,370	14,275	781,172
$1,500,000 under $2,000,000	27,268	392,414	84	28,350	15,523	2,558,393	57,464	28,303,498	15,248	77,917	6,111	399,071
$2,000,000 under $5,000,000	44,853	988,637	149	32,028	25,238	9,224,302	91,090	88,313,516	28,031	425,275	8,939	773,220
$5,000,000 under $10,000,000	12,457	606,120	23	21,122	6,375	1,740,189	23,741	66,122,497	8,736	326,099	2,147	241,814
$10,000,000 or more	8,718	1,286,455	13	49,458	4,353	2,259,180	15,505	240,411,167	6,821	1,954,876	1,369	213,129
Taxable returns, total	**19,214,409**	**21,249,357**	**191,916**	**5,637,835**	**8,310,432**	**186,307,336**	**14,657,027**	**685,156,713**	**1,006,138**	**4,902,085**	**4,275,286**	**76,330,740**
Nontaxable returns, total	**1,758,913**	**1,582,029**	**49,175**	**676,210**	**2,101,491**	**18,651,879**	**1,450,585**	**7,209,345**	**156,376**	**-289,575**	**554,171**	**4,556,408**

Footnotes at end of table

Table 2.1--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Taxable pensions and annuities		Rent and royalty net income		Rent and royalty net loss		Farm rental net income less loss		Partnership and S Corporation net income less loss		Estate and trust net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total	**11,029,556**	**251,431,238**	**3,478,166**	**61,212,112**	**3,608,366**	**42,566,634**	**284,440**	**1,583,611**	**5,599,312**	**431,469,010**	**416,705**	**15,704,443**
Under $5,000	63,051	292,624	32,732	194,047	45,318	636,868	* 2,594	* 3,675	34,234	-634,840	* 1,283	* -985
$5,000 under $10,000	162,259	923,505	41,577	228,363	55,412	676,612	* 4,124	* 17,943	53,818	-649,370	4,358	19,786
$10,000 under $15,000	384,963	3,219,192	88,114	545,859	76,377	713,403	9,003	12,286	74,469	-327,925	3,745	22,336
$15,000 under $20,000	422,128	4,482,255	81,862	522,954	100,297	1,267,161	9,621	27,070	73,897	-185,769	6,934	35,899
$20,000 under $25,000	425,954	5,418,199	90,616	572,649	106,424	1,251,047	9,921	51,500	86,512	-94,083	5,898	31,854
$25,000 under $30,000	405,892	5,495,001	88,362	613,476	116,067	1,127,909	8,861	39,175	101,089	96,243	7,727	33,019
$30,000 under $35,000	412,534	6,047,493	86,298	571,407	132,827	1,403,525	10,695	40,391	105,205	315,546	5,878	33,870
$35,000 under $40,000	448,916	6,931,408	100,159	737,673	125,819	1,190,893	10,530	45,455	127,751	658,489	11,262	37,429
$40,000 under $45,000	431,956	7,404,755	75,967	583,937	138,808	1,519,025	9,616	49,688	143,612	342,335	6,279	31,805
$45,000 under $50,000	459,954	8,132,122	107,927	941,865	148,095	1,567,542	13,530	92,274	140,249	664,269	14,798	104,717
$50,000 under $55,000	467,377	9,010,754	91,752	729,374	129,171	1,263,681	10,514	69,208	132,462	787,616	7,079	67,972
$55,000 under $60,000	441,321	8,745,181	94,456	842,799	123,690	1,289,808	9,993	40,114	136,507	1,065,935	11,548	66,916
$60,000 under $75,000	1,393,910	28,400,073	326,478	2,775,507	438,961	4,451,984	32,678	79,431	445,549	3,822,096	34,893	360,827
$75,000 under $100,000	1,911,294	46,360,835	511,554	4,869,110	621,763	6,136,424	43,647	218,553	719,243	8,403,313	45,783	510,522
$100,000 under $200,000	2,437,692	77,007,775	921,660	12,603,223	822,727	8,127,080	67,720	465,537	1,526,050	38,564,725	125,001	1,933,817
$200,000 under $500,000	604,039	26,064,824	494,220	13,657,940	295,224	5,052,000	22,283	223,834	1,098,851	82,384,610	76,425	2,635,551
$500,000 under $1,000,000	96,305	3,965,391	132,440	7,119,445	74,224	2,050,390	5,537	55,506	339,871	70,296,645	22,496	1,619,147
$1,000,000 under $1,500,000	24,695	1,168,723	40,204	2,968,368	22,773	745,474	1,194	8,213	102,225	38,363,007	8,124	1,054,587
$1,500,000 under $2,000,000	10,965	592,063	19,530	1,792,536	9,895	433,920	744	12,855	46,703	24,529,825	4,061	694,272
$2,000,000 under $5,000,000	16,858	974,059	34,029	3,984,739	16,575	858,112	1,182	20,647	75,659	63,623,958	7,872	1,867,703
$5,000,000 under $10,000,000	4,471	364,907	10,378	1,731,734	4,628	338,421	261	3,793	21,007	33,047,250	2,784	1,370,028
$10,000,000 or more	3,023	430,101	7,853	2,625,105	3,293	465,356	189	6,461	14,352	66,395,136	2,478	3,173,371
Taxable returns, total	**9,692,606**	**237,746,228**	**3,053,817**	**57,711,852**	**2,960,235**	**33,507,149**	**250,220**	**1,453,961**	**4,946,415**	**433,273,321**	**393,121**	**15,581,888**
Nontaxable returns, total	**1,336,951**	**13,685,011**	**424,349**	**3,500,260**	**648,131**	**9,059,485**	**34,220**	**129,651**	**652,897**	**-1,804,311**	**23,584**	**122,554**

Size of adjusted gross income	Farm net income less loss		Unemployment compensation		Taxable social security benefits		Foreign-earned income exclusion		Other income less loss		Total statutory adjustments	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	**756,895**	**-7,515,850**	**2,604,896**	**11,009,458**	**6,994,732**	**86,089,204**	**74,275**	**4,743,225**	**3,407,006**	**24,886,393**	**16,945,059**	**83,337,280**
Under $5,000	8,536	-78,660	7,285	26,847	6,003	18,781	1,458	90,449	17,332	6,572	131,699	388,213
$5,000 under $10,000	8,594	-54,063	26,762	96,219	7,410	31,734	1,757	120,109	27,635	79,430	203,572	475,071
$10,000 under $15,000	18,287	-184,022	42,338	212,828	12,222	63,915	1,958	118,296	52,650	177,981	298,284	706,561
$15,000 under $20,000	21,285	-88,606	91,978	413,171	129,506	164,457	2,383	159,312	61,871	200,837	391,856	1,031,789
$20,000 under $25,000	23,521	-297,826	102,011	414,269	345,664	621,302	2,197	144,440	78,782	209,575	398,062	1,071,541
$25,000 under $30,000	18,534	-107,689	114,875	481,431	383,016	1,179,107	2,301	148,816	89,631	189,011	470,699	1,291,751
$30,000 under $35,000	26,691	-89,260	137,181	586,228	364,391	1,558,102	2,069	137,702	104,479	241,628	534,053	1,395,546
$35,000 under $40,000	29,960	-317,760	136,007	588,230	367,113	2,316,103	2,160	148,374	115,410	279,400	581,299	1,435,959
$40,000 under $45,000	21,756	-159,866	145,660	620,131	326,302	2,548,771	2,033	113,786	103,288	399,017	633,412	1,536,738
$45,000 under $50,000	28,610	-221,830	141,154	554,357	341,055	3,211,790	2,298	123,541	114,104	369,988	729,537	1,945,699
$50,000 under $55,000	29,773	-109,679	149,546	613,800	340,940	3,861,938	1,870	127,935	128,086	372,037	720,903	2,009,395
$55,000 under $60,000	26,636	-189,041	153,649	630,736	312,978	3,763,252	2,071	105,848	123,399	374,335	706,258	1,675,950
$60,000 under $75,000	96,640	-992,783	398,881	1,574,133	930,642	12,695,268	5,784	335,786	375,635	929,172	2,066,282	5,628,541
$75,000 under $100,000	123,501	-846,102	456,155	1,895,747	1,149,598	17,974,637	7,186	449,044	560,324	1,350,294	2,971,639	8,973,998
$100,000 under $200,000	180,864	-1,575,525	431,799	1,905,633	1,361,049	23,985,071	16,550	1,031,702	890,204	5,216,315	4,409,598	22,544,428
$200,000 under $500,000	64,492	-918,875	62,269	358,237	457,719	8,737,102	13,296	882,188	364,873	5,090,973	1,217,325	17,144,573
$500,000 under $1,000,000	16,681	-435,726	5,439	25,713	93,308	1,920,738	3,750	272,682	103,803	2,497,291	283,357	6,604,202
$1,000,000 under $1,500,000	4,712	-175,104	1,074	6,782	26,709	572,961	1,198	87,968	34,588	1,082,586	78,005	2,155,298
$1,500,000 under $2,000,000	2,361	-110,309	384	2,219	12,373	265,859	576	40,922	16,447	865,769	35,279	1,136,262
$2,000,000 under $5,000,000	3,622	-208,483	369	2,297	18,643	411,303	959	72,083	28,531	2,123,642	56,638	2,155,608
$5,000,000 under $10,000,000	1,047	-147,831	65	322	4,813	109,465	246	18,825	8,947	1,079,074	15,028	795,928
$10,000,000 or more	791	-206,811	15	127	3,275	77,550	174	13,417	6,986	1,751,467	10,273	1,234,229
Taxable returns, total	**644,171**	**-6,476,961**	**2,178,557**	**9,148,143**	**6,472,907**	**83,371,813**	**58,372**	**3,634,341**	**3,016,294**	**23,081,980**	**14,558,160**	**76,243,939**
Nontaxable returns, total	**112,724**	**-1,038,889**	**426,338**	**1,861,314**	**521,825**	**2,717,392**	**15,903**	**1,108,883**	**390,712**	**1,804,413**	**2,386,900**	**7,093,340**

Footnotes at end of table

Table 2.1--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Total itemized deductions								
	Total in taxable income	Itemized deductions limitation		Medical and dental expenses deduction		Medical and dental expenses		Medical and dental expenses limitation	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)
All returns, total	**1,229,237,288**	**6,789,435**	**35,152,244**	**10,208,792**	**70,704,272**	**10,208,792**	**110,362,922**	**10,207,311**	**39,659,600**
Under $5,000	5,468,507	--	--	217,097	1,367,937	217,097	1,411,489	215,616	43,553
$5,000 under $10,000	8,464,825	--	--	357,885	2,790,638	357,885	2,999,486	357,885	208,848
$10,000 under $15,000	15,044,424	--	--	661,891	4,911,481	661,891	5,535,883	661,891	624,402
$15,000 under $20,000	19,170,566	--	--	696,209	5,354,006	696,209	6,270,423	696,209	916,417
$20,000 under $25,000	21,996,060	--	--	683,735	4,248,006	683,735	5,403,435	683,735	1,155,428
$25,000 under $30,000	26,575,063	--	--	720,353	4,604,854	720,353	6,088,208	720,353	1,483,354
$30,000 under $35,000	30,574,934	--	--	693,418	4,027,111	693,418	5,717,585	693,418	1,690,474
$35,000 under $40,000	34,643,012	--	--	685,398	3,836,680	685,398	5,764,769	685,398	1,928,090
$40,000 under $45,000	34,761,045	--	--	608,110	3,762,008	608,110	5,697,762	608,110	1,935,754
$45,000 under $50,000	37,078,153	--	--	587,677	3,643,363	587,677	5,732,346	587,677	2,088,983
$50,000 under $55,000	39,161,210	--	--	566,417	3,273,871	566,417	5,502,434	566,417	2,228,563
$55,000 under $60,000	38,656,850	--	--	467,017	2,611,974	467,017	4,623,468	467,017	2,011,493
$60,000 under $75,000	119,015,544	* 137	* 7	1,205,366	7,919,043	1,205,366	13,988,154	1,205,366	6,069,111
$75,000 under $100,000	174,668,813	102,855	23,483	1,147,674	8,010,216	1,147,674	15,387,801	1,147,674	7,377,585
$100,000 under $200,000	299,344,593	2,833,121	1,270,065	819,457	7,763,421	819,457	15,563,471	819,457	7,800,050
$200,000 under $500,000	141,755,680	2,962,137	8,188,936	83,677	2,055,845	83,677	3,728,300	83,677	1,672,455
$500,000 under $1,000,000	49,648,717	552,466	5,858,010	6,326	408,830	6,326	709,305	6,326	300,475
$1,000,000 under $1,500,000	20,077,961	142,277	2,948,618	746	63,807	746	131,461	746	67,653
$1,500,000 under $2,000,000	11,936,247	61,063	1,841,180	206	31,182	206	58,067	206	26,885
$2,000,000 under $5,000,000	30,051,854	95,309	4,922,580	123	15,454	123	39,488	123	24,033
$5,000,000 under $10,000,000	17,653,722	24,341	2,841,111	** 10	** 4,545	** 10	** 9,589	* 8	* 3,403
$10,000,000 or more	53,489,509	15,729	7,258,254	**	**	**	**	* 3	* 2,590
Taxable returns, total	**1,073,985,426**	**6,775,400**	**35,097,675**	**7,264,140**	**41,984,625**	**7,264,140**	**76,141,023**	**7,264,141**	**34,157,348**
Nontaxable returns, total	**155,251,862**	**14,035**	**54,569**	**2,944,652**	**28,719,647**	**2,944,652**	**34,221,899**	**2,943,170**	**5,502,252**

Size of adjusted gross income	Total itemized deductions--continued							
	Taxes paid deduction							
	Total		State and local taxes					
			Total		Income tax		General sales tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)
All returns, total	**48,660,923**	**432,774,100**	**46,915,714**	**265,306,032**	**35,666,458**	**246,381,591**	**11,249,256**	**18,924,441**
Under $5,000	322,484	1,091,230	277,155	269,667	93,675	177,369	183,480	92,298
$5,000 under $10,000	551,708	1,530,443	481,024	314,328	186,039	175,255	294,985	139,073
$10,000 under $15,000	980,400	2,461,698	875,214	575,271	326,542	282,710	548,671	292,561
$15,000 under $20,000	1,232,624	3,391,832	1,102,151	860,560	548,423	535,277	553,728	325,282
$20,000 under $25,000	1,498,621	4,168,222	1,399,056	1,358,901	762,030	807,300	637,026	551,601
$25,000 under $30,000	1,766,088	5,227,676	1,646,179	1,845,996	1,064,169	1,360,042	582,009	485,954
$30,000 under $35,000	2,037,765	6,627,559	1,924,399	2,535,874	1,318,487	1,955,115	605,912	580,759
$35,000 under $40,000	2,240,619	7,773,768	2,120,969	3,240,458	1,580,095	2,687,651	540,874	552,807
$40,000 under $45,000	2,231,199	8,401,705	2,123,804	3,746,087	1,566,801	3,115,904	557,003	630,184
$45,000 under $50,000	2,263,424	9,409,964	2,188,871	4,355,360	1,660,365	3,690,536	528,506	664,824
$50,000 under $55,000	2,304,102	10,197,319	2,233,681	4,808,637	1,689,511	4,093,871	544,170	714,766
$55,000 under $60,000	2,183,590	10,538,408	2,103,113	5,046,648	1,629,041	4,351,034	474,072	695,615
$60,000 under $75,000	6,274,174	34,248,675	6,089,601	17,517,205	4,881,337	15,612,337	1,208,264	1,904,868
$75,000 under $100,000	8,281,651	55,727,801	8,081,139	29,850,662	6,586,019	27,016,616	1,495,120	2,834,047
$100,000 under $200,000	10,642,872	111,054,876	10,456,114	63,981,487	8,641,327	59,323,020	1,814,787	4,658,467
$200,000 under $500,000	2,960,017	64,770,705	2,930,430	42,928,132	2,398,821	40,731,516	531,609	2,196,616
$500,000 under $1,000,000	551,385	27,064,821	546,749	20,545,408	456,786	19,929,203	89,964	616,205
$1,000,000 under $1,500,000	142,087	11,483,609	141,133	9,284,435	115,907	9,049,077	25,226	235,358
$1,500,000 under $2,000,000	60,950	7,079,805	60,579	5,928,443	50,331	5,811,672	10,248	116,771
$2,000,000 under $5,000,000	95,169	17,761,193	94,603	15,516,414	77,356	15,244,110	17,247	272,304
$5,000,000 under $10,000,000	24,299	10,024,660	24,140	9,135,130	20,194	8,997,205	3,946	137,925
$10,000,000 or more	15,696	22,738,131	15,610	21,660,929	13,202	21,434,774	2,408	226,154
Taxable returns, total	**42,160,935**	**405,613,605**	**40,949,825**	**256,489,189**	**32,271,740**	**239,812,765**	**8,678,085**	**16,676,425**
Nontaxable returns, total	**6,499,988**	**27,160,495**	**5,965,889**	**8,816,843**	**3,394,718**	**6,568,827**	**2,571,170**	**2,248,016**

Footnotes at end of table

Table 2.1--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Total itemized deductions--continued											
	Taxes paid deduction--continued						Interest paid deduction					
	Real estate taxes		Personal property taxes		Other taxes		Total		Home mortgage interest			
									Total		Paid to financial institutions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)
All returns, total	**42,584,481**	**156,384,349**	**21,470,392**	**8,958,052**	**3,071,407**	**2,125,666**	**40,284,927**	**470,474,844**	**39,831,381**	**443,151,695**	**39,441,507**	**437,057,932**
Under $5,000	245,754	749,048	93,531	62,168	13,723	10,348	230,562	2,542,276	228,045	2,528,322	227,353	2,491,897
$5,000 under $10,000	426,202	1,151,873	178,218	53,981	16,525	10,262	371,880	3,152,592	365,438	3,126,419	356,164	3,038,959
$10,000 under $15,000	762,491	1,760,448	324,198	85,585	36,966	40,395	665,639	5,664,579	656,883	5,615,944	650,536	5,523,181
$15,000 under $20,000	923,810	2,344,997	444,094	168,115	61,546	18,160	798,300	6,996,923	790,362	6,934,533	778,228	6,817,809
$20,000 under $25,000	1,130,445	2,604,984	589,402	174,770	64,612	29,567	1,061,899	9,100,590	1,053,810	8,991,482	1,035,978	8,875,649
$25,000 under $30,000	1,346,401	3,087,654	696,267	256,642	95,053	37,383	1,274,738	10,418,436	1,263,054	10,309,494	1,248,965	10,178,810
$30,000 under $35,000	1,632,333	3,751,871	873,163	302,034	104,258	37,780	1,569,953	12,794,118	1,559,783	12,658,751	1,545,261	12,517,017
$35,000 under $40,000	1,800,620	4,165,909	927,449	303,151	131,171	64,250	1,759,767	15,231,363	1,753,837	15,122,041	1,737,400	14,847,513
$40,000 under $45,000	1,797,302	4,290,350	938,122	323,322	113,345	41,946	1,759,440	14,724,513	1,749,360	14,574,844	1,721,042	14,301,051
$45,000 under $50,000	1,878,804	4,662,685	985,956	347,692	121,190	44,227	1,813,029	16,044,837	1,800,161	15,792,494	1,779,245	15,507,761
$50,000 under $55,000	1,960,188	4,971,652	1,014,387	364,659	129,565	52,370	1,893,944	16,994,245	1,880,746	16,807,805	1,860,603	16,640,307
$55,000 under $60,000	1,886,442	5,021,057	1,007,897	385,521	142,074	85,181	1,835,946	17,060,606	1,825,144	16,917,171	1,803,927	16,622,975
$60,000 under $75,000	5,609,716	15,465,617	2,875,959	1,113,557	376,357	152,296	5,399,720	51,856,847	5,368,506	51,385,966	5,315,086	50,720,992
$75,000 under $100,000	7,590,363	24,026,524	3,854,748	1,580,666	557,566	269,949	7,262,693	76,362,548	7,215,595	75,466,112	7,158,034	74,587,768
$100,000 under $200,000	9,964,895	44,131,009	5,027,429	2,389,639	768,909	552,741	9,345,914	122,673,860	9,250,722	120,380,179	9,188,506	119,065,113
$200,000 under $500,000	2,785,290	20,863,441	1,288,028	711,468	247,914	267,665	2,510,674	50,965,901	2,425,757	47,714,366	2,402,542	47,014,180
$500,000 under $1,000,000	522,929	6,220,681	225,168	181,165	56,392	117,567	454,208	13,863,175	417,098	11,276,276	410,181	10,994,641
$1,000,000 under $1,500,000	134,510	2,104,645	54,105	48,505	13,660	46,024	114,986	4,605,699	101,144	3,106,893	99,500	3,016,533
$1,500,000 under $2,000,000	57,813	1,099,851	22,978	24,431	6,158	27,081	49,808	2,484,023	41,442	1,370,257	40,571	1,330,449
$2,000,000 under $5,000,000	90,114	2,122,761	34,369	45,400	10,093	76,618	77,912	5,461,242	61,740	2,171,039	60,303	2,097,361
$5,000,000 under $10,000,000	23,095	839,226	8,990	17,613	2,559	32,690	20,458	2,890,309	14,555	563,645	14,147	543,799
$10,000,000 or more	14,962	948,067	5,933	17,969	1,770	111,167	13,458	8,586,161	8,198	337,660	7,936	324,168
Taxable returns, total	**37,168,506**	**139,411,250**	**18,850,117**	**7,796,727**	**2,777,151**	**1,916,439**	**34,916,786**	**399,610,599**	**34,499,179**	**374,221,591**	**34,169,301**	**369,185,364**
Nontaxable returns, total	**5,415,974**	**16,973,100**	**2,620,275**	**1,161,325**	**294,256**	**209,227**	**5,368,140**	**70,864,246**	**5,332,201**	**68,930,103**	**5,272,206**	**67,872,568**

Size of adjusted gross income	Total itemized deductions--continued											
	Interest paid deduction--continued						Contributions deduction					
	Home mortgage interest--cont.		Deductible points		Investment interest expense deduction		Total		Cash contributions		Other than cash contributions	
	Paid to individuals											
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)
All returns, total	**1,147,219**	**6,093,762**	**2,970,713**	**2,591,861**	**1,819,888**	**24,731,289**	**41,437,749**	**186,646,644**	**38,942,196**	**144,223,015**	**24,748,231**	**52,631,443**
Under $5,000	5,460	36,425	11,420	1,621	8,499	12,333	194,472	149,244	167,572	199,448	86,021	46,002
$5,000 under $10,000	16,509	87,460	15,325	14,490	12,691	11,683	346,040	483,820	322,013	548,664	148,513	68,672
$10,000 under $15,000	13,740	92,763	32,543	35,065	16,044	13,570	679,633	1,032,409	628,767	974,217	270,499	185,246
$15,000 under $20,000	21,642	116,724	41,063	26,466	17,573	35,924	865,118	1,575,449	804,227	1,324,744	417,184	247,258
$20,000 under $25,000	31,552	115,833	57,384	64,198	24,302	44,910	1,080,523	2,050,530	998,576	1,688,286	563,205	341,423
$25,000 under $30,000	27,759	130,685	58,357	68,374	20,721	40,567	1,330,287	2,629,782	1,238,051	2,151,604	716,172	434,262
$30,000 under $35,000	27,555	141,734	87,752	83,955	26,205	51,412	1,573,072	3,151,067	1,443,217	2,567,876	876,966	579,328
$35,000 under $40,000	50,487	274,527	101,156	69,468	26,330	39,855	1,741,856	3,674,894	1,619,262	3,054,496	988,064	580,018
$40,000 under $45,000	49,472	273,794	119,844	102,233	29,772	47,437	1,772,665	3,887,177	1,631,323	3,242,079	1,014,103	692,652
$45,000 under $50,000	53,585	284,733	120,566	140,457	39,225	111,887	1,834,631	4,059,750	1,695,519	3,317,094	1,055,215	698,111
$50,000 under $55,000	47,638	167,499	117,915	128,203	29,559	58,237	1,895,962	4,459,457	1,770,140	3,632,318	1,116,519	778,405
$55,000 under $60,000	47,218	294,196	101,022	81,317	34,907	62,118	1,824,105	4,513,972	1,693,949	3,819,075	1,075,206	694,048
$60,000 under $75,000	143,282	664,974	370,119	310,545	116,437	160,337	5,380,233	13,927,253	5,023,355	11,529,662	3,172,157	2,347,223
$75,000 under $100,000	202,679	878,344	534,550	442,856	200,947	453,580	7,396,397	21,320,365	6,917,262	17,821,439	4,602,131	3,336,757
$100,000 under $200,000	289,522	1,315,066	860,630	771,880	482,605	1,521,801	9,866,262	38,470,089	9,408,181	35,052,895	6,471,720	7,148,566
$200,000 under $500,000	86,687	700,186	267,614	196,122	424,056	3,055,414	2,801,342	22,027,498	2,734,157	18,067,112	1,728,413	4,474,782
$500,000 under $1,000,000	21,039	281,635	48,791	31,467	154,832	2,555,432	528,987	10,255,970	522,824	7,962,112	286,655	2,526,879
$1,000,000 under $1,500,000	5,232	90,360	11,373	10,169	53,494	1,488,637	136,509	4,783,947	135,338	3,447,502	70,064	1,599,850
$1,500,000 under $2,000,000	2,000	39,808	4,611	3,897	26,836	1,109,870	59,100	3,221,152	58,735	2,256,211	28,303	1,447,466
$2,000,000 under $5,000,000	2,993	73,678	6,450	6,198	48,140	3,284,005	91,298	8,750,700	90,691	5,432,654	42,544	3,527,808
$5,000,000 under $10,000,000	742	19,846	1,524	2,024	15,376	2,324,640	23,818	6,041,122	23,668	3,322,475	11,024	3,019,095
$10,000,000 or more	428	13,493	705	858	11,337	8,247,642	15,439	26,180,998	15,368	12,811,054	7,554	17,857,590
Taxable returns, total	**1,005,421**	**5,036,227**	**2,598,417**	**1,980,364**	**1,671,337**	**23,408,644**	**36,739,557**	**174,764,083**	**34,587,699**	**130,519,348**	**22,316,940**	**50,541,676**
Nontaxable returns, total	**141,798**	**1,057,535**	**372,297**	**611,497**	**148,551**	**1,322,645**	**4,698,192**	**11,882,561**	**4,354,497**	**13,703,667**	**2,431,291**	**2,089,766**

Footnotes at end of table

Table 2.1--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Total itemized deductions--continued									
	Contributions deduction--cont.		Casualty or theft loss deduction		Limited miscellaneous deductions					
	Carryover from prior years				Total after limitation		Unreimbursed employee business expense		Tax preparation fees	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)
All returns, total	**511,699**	**25,122,432**	**206,287**	**5,135,555**	**12,313,749**	**76,666,241**	**15,985,244**	**75,600,830**	**20,810,174**	**5,758,548**
Under $5,000	33,185	90,512	* 981	* 8,053	120,415	289,522	31,147	154,508	99,521	23,120
$5,000 under $10,000	32,612	195,161	* 4,245	* 149,773	168,888	292,989	55,222	185,411	186,062	42,688
$10,000 under $15,000	39,205	359,696	7,524	265,647	209,609	586,533	107,717	400,824	333,542	69,357
$15,000 under $20,000	38,092	260,147	* 6,613	* 262,285	317,696	1,364,323	258,950	1,219,178	479,241	91,858
$20,000 under $25,000	29,995	208,116	15,180	133,920	412,245	2,048,765	379,057	1,829,720	591,098	114,873
$25,000 under $30,000	21,084	104,753	11,360	498,833	534,528	2,980,683	552,450	2,786,879	730,698	143,301
$30,000 under $35,000	27,011	92,005	15,517	194,335	612,523	3,400,865	680,060	3,307,364	852,340	157,055
$35,000 under $40,000	22,048	162,083	11,841	196,453	704,863	3,664,552	771,606	3,742,310	954,189	175,694
$40,000 under $45,000	19,170	66,571	10,391	113,469	664,173	3,625,656	796,096	3,717,918	957,938	177,859
$45,000 under $50,000	23,972	278,285	6,518	142,487	630,764	3,485,030	802,647	3,700,993	986,630	187,515
$50,000 under $55,000	20,581	196,490	10,717	106,508	684,621	3,719,360	860,356	3,860,382	1,040,714	206,487
$55,000 under $60,000	11,964	67,276	12,532	70,967	603,852	3,398,281	811,554	3,620,564	975,489	191,330
$60,000 under $75,000	47,151	678,585	28,117	364,726	1,709,691	9,581,461	2,377,186	10,605,289	2,787,149	564,928
$75,000 under $100,000	40,142	885,477	20,802	567,848	2,028,476	11,060,035	3,125,275	12,850,839	3,666,766	784,478
$100,000 under $200,000	58,921	1,958,394	29,150	971,613	2,317,906	15,312,606	3,647,370	17,837,072	4,646,274	1,339,811
$200,000 under $500,000	28,985	3,177,531	11,303	640,133	475,726	5,138,639	629,755	4,403,154	1,185,210	745,442
$500,000 under $1,000,000	8,299	2,662,903	2,153	200,274	73,772	1,653,898	71,594	734,369	212,941	283,614
$1,000,000 under $1,500,000	3,000	1,390,888	633	114,849	18,032	762,761	13,348	186,361	51,699	110,023
$1,500,000 under $2,000,000	1,551	671,222	214	33,016	7,876	492,914	4,862	69,730	22,667	66,307
$2,000,000 under $5,000,000	2,784	2,680,742	342	51,003	12,735	1,367,245	6,853	188,789	35,231	143,435
$5,000,000 under $10,000,000	1,038	1,530,761	85	12,001	3,268	760,764	1,456	106,258	8,961	61,810
$10,000,000 or more	907	7,404,833	71	37,363	2,090	1,679,362	684	92,918	5,815	77,561
Taxable returns, total	**319,175**	**23,112,109**	**144,797**	**1,936,553**	**10,384,497**	**65,987,373**	**14,264,041**	**66,097,233**	**18,313,889**	**5,160,225**
Nontaxable returns, total	**192,523**	**2,010,323**	**61,490**	**3,199,002**	**1,929,252**	**10,678,868**	**1,721,202**	**9,503,596**	**2,496,285**	**598,323**

Size of adjusted gross income	Total itemized deductions--continued										Exemptions	
	Limited miscellaneous deductions--continued				Gambling loss deduction		Miscellaneous deductions other than gambling		Total unlimited miscellaneous deduction			
	Other limited miscellaneous deductions		Miscellaneous deductions subject to 2% AGI limitation									
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(100)	(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)	(109)	(110)	(111)
All returns, total	**9,484,460**	**29,472,844**	**28,432,625**	**110,832,221**	**1,060,601**	**19,100,144**	**564,501**	**2,525,301**	**1,605,514**	**21,987,875**	**119,049,156**	**378,007,545**
Under $5,000	70,670	118,705	132,869	296,333	3,899	9,327	3,959	10,822	8,496	20,245	536,390	1,765,574
$5,000 under $10,000	90,446	97,425	244,797	325,523	11,217	49,005	* 3,248	* 15,565	14,465	64,570	904,622	2,976,169
$10,000 under $15,000	143,146	197,014	426,898	667,195	14,875	104,941	7,352	17,136	22,227	122,077	1,554,985	5,118,957
$15,000 under $20,000	189,414	215,384	633,153	1,526,421	27,900	155,615	14,462	62,377	43,369	225,748	2,138,602	7,046,566
$20,000 under $25,000	263,088	360,274	783,928	2,304,867	28,430	163,274	15,322	82,753	42,744	246,027	2,786,031	9,182,278
$25,000 under $30,000	305,560	437,652	990,714	3,367,833	28,198	123,921	27,874	90,878	53,809	214,799	3,367,132	11,096,551
$30,000 under $35,000	316,222	456,840	1,173,473	3,921,260	34,958	223,002	33,236	153,473	69,157	379,879	3,950,447	13,020,928
$35,000 under $40,000	381,506	418,720	1,294,870	4,336,724	32,283	180,967	25,188	84,336	55,814	265,303	4,361,612	14,381,340
$40,000 under $45,000	355,542	466,412	1,315,542	4,362,189	40,983	193,859	23,530	52,657	64,512	246,516	4,471,961	14,742,475
$45,000 under $50,000	358,488	404,703	1,331,020	4,293,211	47,497	232,098	23,597	60,625	68,819	292,723	4,739,782	15,628,414
$50,000 under $55,000	418,166	595,287	1,408,922	4,662,156	53,216	334,014	29,129	76,437	81,208	410,451	5,131,972	16,921,338
$55,000 under $60,000	364,528	523,304	1,324,941	4,335,198	48,974	416,417	22,649	46,225	69,742	462,642	4,987,379	16,443,049
$60,000 under $75,000	1,103,467	1,546,768	3,793,202	12,716,986	127,798	972,696	47,178	119,871	173,733	1,117,546	15,530,311	51,209,886
$75,000 under $100,000	1,477,711	2,329,456	4,993,130	15,964,773	183,178	1,463,914	60,620	161,572	240,478	1,643,483	22,626,549	74,616,798
$100,000 under $200,000	2,373,493	4,936,454	6,367,690	24,113,338	270,323	3,701,219	92,328	457,503	357,734	4,368,194	30,711,867	101,073,076
$200,000 under $500,000	853,748	4,092,839	1,661,811	9,241,436	81,296	4,049,433	60,794	249,354	140,415	4,345,893	8,641,751	19,983,557
$500,000 under $1,000,000	226,414	2,344,873	327,360	3,362,855	15,395	1,876,741	28,898	167,954	44,098	2,059,760	1,639,082	1,759,659
$1,000,000 under $1,500,000	71,468	1,261,447	89,069	1,557,831	4,617	1,116,974	12,809	78,829	17,149	1,211,907	412,607	444,551
$1,500,000 under $2,000,000	33,746	877,104	40,681	1,013,141	1,718	377,611	7,118	52,969	8,791	435,334	174,514	187,876
$2,000,000 under $5,000,000	57,850	2,484,101	66,544	2,816,325	2,769	1,383,339	14,675	173,051	17,289	1,567,597	267,836	286,633
$5,000,000 under $10,000,000	17,259	1,468,538	18,833	1,636,606	697	654,055	5,579	107,612	6,195	762,613	69,226	74,207
$10,000,000 or more	12,529	3,839,541	13,179	4,010,020	380	1,317,722	4,957	203,301	5,269	1,524,568	44,497	47,663
Taxable returns, total	**8,411,197**	**27,258,142**	**25,010,393**	**98,515,600**	**939,409**	**17,108,338**	**479,618**	**1,996,388**	**1,400,053**	**19,186,263**	**99,470,602**	**313,506,269**
Nontaxable returns, total	**1,073,263**	**2,214,702**	**3,422,232**	**12,316,622**	**121,192**	**1,991,805**	**84,883**	**528,913**	**205,461**	**2,801,612**	**19,578,553**	**64,501,277**

Footnotes at end of table

Table 2.1--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Taxable income		Alternative minimum tax		Income tax before credits		Total tax credits		Income tax after credits		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(112)	(113)	(114)	(115)	(116)	(117)	(118)	(119)	(120)	(121)	(122)	(123)
All returns, total	**45,237,593**	**4,144,450,317**	**3,808,616**	**20,894,160**	**45,257,612**	**871,454,428**	**21,492,514**	**34,178,844**	**42,402,082**	**837,275,584**	**42,402,082**	**837,277,177**
Under $5,000	* 5,903	* 7,054	* 256	* 1,677	6,688	2,478	* 1,423	* 630	6,158	1,848	6,158	1,848
$5,000 under $10,000	42,179	89,424	* 676	* 151	43,033	9,663	22,089	2,310	26,257	7,353	26,257	7,353
$10,000 under $15,000	304,155	716,447	* 200	* 697	305,342	69,036	57,941	8,477	275,037	60,558	275,037	60,558
$15,000 under $20,000	601,293	3,157,252	* 917	* 2,336	604,982	317,768	158,279	40,875	524,163	276,892	524,163	276,892
$20,000 under $25,000	1,048,299	7,922,139	* 675	* 712	1,048,546	863,532	416,150	145,456	825,885	718,076	825,885	718,076
$25,000 under $30,000	1,474,985	16,078,166	849	11,669	1,473,167	1,879,414	538,299	313,311	1,125,404	1,566,103	1,125,404	1,566,103
$30,000 under $35,000	1,851,178	26,433,974	871	4,559	1,850,830	3,168,200	748,620	529,198	1,494,657	2,659,002	1,494,657	2,659,002
$35,000 under $40,000	2,121,000	38,215,315	2,596	7,275	2,121,003	4,734,064	900,778	745,618	1,771,891	3,988,446	1,771,891	3,988,446
$40,000 under $45,000	2,165,727	47,994,153	2,017	5,205	2,166,163	6,129,284	914,995	883,128	1,848,987	5,246,156	1,848,987	5,246,156
$45,000 under $50,000	2,208,355	56,420,341	4,496	6,569	2,209,137	7,457,703	1,010,150	1,088,900	1,921,550	6,368,803	1,921,550	6,368,803
$50,000 under $55,000	2,263,406	66,266,161	7,523	8,727	2,263,793	9,112,088	1,012,609	1,277,056	2,020,537	7,835,032	2,020,537	7,835,032
$55,000 under $60,000	2,167,760	71,339,666	11,189	14,876	2,167,779	10,060,340	949,404	1,346,477	1,992,471	8,713,863	1,992,471	8,713,863
$60,000 under $75,000	6,241,642	256,033,014	60,232	69,844	6,245,151	37,349,422	3,143,810	4,919,406	5,963,536	32,430,015	5,963,536	32,430,027
$75,000 under $100,000	8,260,318	470,883,453	122,603	171,329	8,261,449	70,902,509	4,571,177	7,696,169	8,147,439	63,206,340	8,147,439	63,206,340
$100,000 under $200,000	10,634,684	1,027,181,846	1,067,027	2,081,752	10,640,543	187,978,327	5,227,334	5,829,709	10,610,868	182,148,619	10,610,868	182,148,619
$200,000 under $500,000	2,956,964	688,306,234	2,164,122	10,739,228	2,959,252	169,512,297	1,261,957	1,558,035	2,957,262	167,954,262	2,957,262	167,954,262
$500,000 under $1,000,000	551,709	323,668,181	269,527	3,114,602	552,290	89,926,713	324,800	1,217,237	551,845	88,709,475	551,845	88,709,475
$1,000,000 under $1,500,000	142,041	151,865,480	40,938	891,670	142,148	42,548,730	92,435	690,847	142,022	41,857,882	142,022	41,857,925
$1,500,000 under $2,000,000	60,905	93,158,405	16,710	521,958	61,016	26,066,601	41,472	505,846	60,953	25,560,756	60,953	25,560,756
$2,000,000 under $5,000,000	95,094	255,247,064	24,043	1,171,060	95,242	70,962,520	67,490	1,566,113	95,144	69,396,407	95,144	69,396,445
$5,000,000 under $10,000,000	24,287	149,653,069	6,518	620,995	24,327	39,579,867	18,461	949,091	24,303	38,630,776	24,303	38,630,776
$10,000,000 or more	15,710	393,813,479	4,632	1,447,268	15,728	92,803,873	12,842	2,864,953	15,712	89,938,920	15,712	89,940,420
Taxable returns, total	**42,384,843**	**4,109,723,394**	**3,801,731**	**20,888,745**	**42,402,082**	**867,440,823**	**18,636,983**	**30,165,238**	**42,402,082**	**837,275,584**	**42,402,082**	**837,277,177**
Nontaxable returns, total	**2,852,751**	**34,726,923**	**6,885**	**5,415**	**2,855,530**	**4,013,606**	**2,855,530**	**4,013,606**	–	–	–	–

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers

NOTE. Detail may not add to totals because of rounding.

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest		Tax-exempt interest		Ordinary dividends		Qualified dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	**0.26**	**0.18**	**0.30**	**0.27**	**0.35**	**0.67**	**1.05**	**1.20**	**0.51**	**0.71**	**0.55**	**0.84**
Under $5,000	4.58	5.30	7.81	12.92	5.64	12.75	21.78	34.94	7.64	11.55	8.68	14.89
$5,000 under $10,000	3.63	3.70	5.65	7.47	4.67	10.44	15.29	32.35	6.42	12.30	7.23	14.37
$10,000 under $15,000	2.75	2.76	4.03	5.22	3.52	7.16	12.46	24.91	4.87	8.41	5.28	9.61
$15,000 under $20,000	2.50	2.51	3.30	3.69	3.32	6.96	11.27	21.50	4.61	8.15	5.11	10.03
$20,000 under $25,000	2.31	2.32	2.78	3.04	3.19	7.62	10.65	26.40	4.57	8.25	5.04	9.44
$25,000 under $30,000	2.14	2.15	2.45	2.60	3.00	7.73	11.14	20.46	4.45	8.42	4.86	10.47
$30,000 under $35,000	2.02	2.02	2.22	2.33	2.86	7.60	11.16	27.73	4.38	8.32	4.84	9.46
$35,000 under $40,000	1.93	1.93	2.10	2.21	2.69	7.84	10.23	23.63	4.08	9.66	4.53	10.26
$40,000 under $45,000	1.92	1.92	2.05	2.16	2.65	8.18	10.21	25.19	4.06	8.90	4.46	9.98
$45,000 under $50,000	1.90	1.90	2.05	2.16	2.51	8.08	9.41	18.88	3.71	8.58	4.01	10.22
$50,000 under $55,000	1.88	1.88	2.01	2.13	2.43	7.69	8.76	17.28	3.63	8.22	3.94	9.57
$55,000 under $60,000	1.94	1.94	2.06	2.18	2.48	7.52	9.16	21.78	3.60	8.42	4.00	9.82
$60,000 under $75,000	1.09	1.09	1.15	1.23	1.37	4.53	4.90	10.63	2.03	5.04	2.22	6.20
$75,000 under $100,000	0.88	0.88	0.94	0.99	1.07	3.65	3.82	7.76	1.57	4.17	1.73	5.08
$100,000 under $200,000	0.65	0.63	0.70	0.73	0.73	2.43	2.12	4.28	0.98	2.62	1.06	3.21
$200,000 under $500,000	0.72	0.67	0.81	0.90	0.75	2.14	1.48	3.04	0.87	2.16	0.92	2.59
$500,000 under $1,000,000	0.99	0.88	1.14	1.35	1.00	2.14	1.48	2.69	1.07	2.52	1.11	3.01
$1,000,000 under $1,500,000	1.19	1.13	1.37	1.79	1.20	2.34	1.60	2.61	1.26	2.82	1.30	3.37
$1,500,000 under $2,000,000	0.89	0.89	1.03	1.46	0.89	2.02	1.18	2.64	0.94	2.46	0.97	2.93
$2,000,000 under $5,000,000	1.02	1.15	1.24	0.86	1.02	0.98	0.63	1.25	0.53	1.31	0.54	1.59
$5,000,000 under $10,000,000	0.54	0.45	0.61	0.87	0.54	0.64	0.61	0.60	0.55	1.08	0.57	1.32
$10,000,000 or more	0.02	0.01	0.02	0.01	0.02	0.02	0.03	0.08	0.02	–	0.02	–
Taxable returns, total	**0.29**	**0.19**	**0.32**	**0.28**	**0.37**	**0.69**	**1.07**	**1.20**	**0.53**	**0.72**	**0.57**	**0.85**
Nontaxable returns, total	**1.05**	**1.25**	**1.27**	**1.52**	**1.42**	**3.42**	**4.99**	**8.18**	**2.12**	**4.10**	**2.34**	**5.12**

Size of adjusted gross income	State income tax refunds		Alimony received		Business or profession net income less loss		Sales of capital assets, net gain less loss		Sales of property other than capital assets, net gain less loss		Taxable IRA distributions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	**0.53**	**0.70**	**5.13**	**6.94**	**0.52**	**1.89**	**0.54**	**0.37**	**1.93**	**7.95**	**1.19**	**1.78**
Under $5,000	13.56	19.17	50.11	52.15	6.46	27.77	7.82	78.56	21.00	60.20	17.26	24.12
$5,000 under $10,000	10.62	21.44	37.84	40.04	5.64	15.08	6.73	34.24	20.97	62.50	10.45	13.27
$10,000 under $15,000	7.03	10.77	26.04	28.78	4.62	13.71	5.07	30.94	22.83	65.48	7.24	10.55
$15,000 under $20,000	5.86	9.06	24.68	28.69	4.29	10.00	4.90	26.18	15.34	181.01	6.96	9.63
$20,000 under $25,000	4.95	7.41	20.78	24.60	4.34	9.00	4.94	23.84	18.03	106.98	6.56	9.29
$25,000 under $30,000	4.22	6.06	18.55	22.87	4.30	8.85	4.73	18.63	15.00	267.61	6.85	9.29
$30,000 under $35,000	3.57	5.51	18.95	23.79	4.24	9.80	4.65	15.69	17.72	182.80	6.82	10.33
$35,000 under $40,000	3.23	6.53	18.32	22.29	4.15	9.15	4.47	13.47	14.87	80.99	6.69	9.13
$40,000 under $45,000	3.14	4.62	21.20	25.86	4.14	9.55	4.38	13.73	15.25	67.67	6.92	10.64
$45,000 under $50,000	3.01	4.96	20.22	26.15	4.02	8.99	4.00	11.11	15.32	571.90	6.44	9.24
$50,000 under $55,000	2.88	4.51	21.67	27.60	3.97	10.21	3.93	11.48	16.54	135.89	6.20	8.79
$55,000 under $60,000	2.93	4.15	19.89	24.30	4.13	10.04	4.00	12.51	14.45	385.55	6.35	9.29
$60,000 under $75,000	1.63	2.38	15.94	18.12	2.34	5.76	2.21	5.65	8.68	56.63	3.69	5.65
$75,000 under $100,000	1.35	2.04	16.99	20.76	1.90	4.34	1.72	4.17	7.45	68.05	3.15	4.81
$100,000 under $200,000	1.07	1.58	16.01	18.50	1.37	2.63	1.05	2.33	4.27	28.10	2.40	3.69
$200,000 under $500,000	1.52	2.48	21.44	25.35	1.50	2.39	0.87	1.84	2.98	28.16	2.67	4.67
$500,000 under $1,000,000	1.84	3.33	26.68	39.93	1.98	3.32	1.06	1.83	2.59	29.21	3.47	7.11
$1,000,000 under $1,500,000	1.97	3.73	36.44	43.17	2.35	4.19	1.24	1.99	2.57	78.50	4.01	9.84
$1,500,000 under $2,000,000	1.49	5.75	28.30	55.04	1.96	4.83	0.93	1.61	2.04	29.98	3.29	8.48
$2,000,000 under $5,000,000	0.83	1.56	16.48	31.30	3.52	33.63	1.06	0.76	2.50	9.28	1.96	6.31
$5,000,000 under $10,000,000	0.78	1.23	19.00	73.10	1.03	3.16	0.55	0.60	0.89	4.96	1.86	9.18
$10,000,000 or more	0.04	–	–	–	0.08	2.31	0.02	–	–	–	0.18	0.34
Taxable returns, total	**0.55**	**0.70**	**5.75**	**7.57**	**0.60**	**2.05**	**0.56**	**0.37**	**2.03**	**6.77**	**1.25**	**1.86**
Nontaxable returns, total	**2.14**	**3.52**	**11.38**	**14.93**	**1.66**	**3.98**	**2.14**	**5.70**	**6.04**	**53.97**	**3.78**	**5.77**

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Taxable pensions and annuities		Rent and royalty net income		Rent and royalty net loss		Farm rental net income less loss		Partnership and S Corporation net income less loss		Estate and trust net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total	**0.75**	**1.06**	**1.19**	**1.37**	**1.26**	**1.48**	**4.82**	**10.08**	**0.88**	**0.69**	**3.46**	**2.97**
Under $5,000	11.11	15.78	13.30	18.16	11.33	14.17	53.53	139.60	13.57	25.95	70.55	287.14
$5,000 under $10,000	7.20	9.95	12.36	19.92	10.56	12.73	41.62	49.80	10.83	25.42	40.40	58.02
$10,000 under $15,000	4.69	5.59	8.43	11.19	8.87	12.03	28.50	41.60	9.43	43.25	39.74	49.00
$15,000 under $20,000	4.43	5.42	8.76	15.16	7.85	12.41	26.75	67.54	9.26	70.53	33.73	44.54
$20,000 under $25,000	4.39	5.36	8.37	11.79	7.72	10.00	27.31	49.40	8.65	170.29	33.03	48.88
$25,000 under $30,000	4.47	5.64	8.55	13.34	7.33	9.38	27.46	54.38	8.25	144.32	27.54	62.05
$30,000 under $35,000	4.41	5.69	8.71	12.00	6.87	9.65	26.72	60.96	7.96	58.36	32.91	62.50
$35,000 under $40,000	4.23	5.59	8.03	11.49	7.13	9.69	24.86	42.15	7.31	31.73	25.28	86.66
$40,000 under $45,000	4.25	5.69	9.16	13.37	6.93	9.08	27.06	55.59	7.00	59.40	33.69	52.70
$45,000 under $50,000	4.12	5.46	7.67	11.70	6.67	8.61	22.98	44.19	6.96	36.09	22.54	36.44
$50,000 under $55,000	4.06	5.44	8.47	12.11	7.26	9.02	26.08	47.69	7.18	27.40	30.71	40.93
$55,000 under $60,000	4.19	5.69	8.25	12.19	7.49	9.34	27.67	62.50	7.24	19.01	25.17	37.58
$60,000 under $75,000	2.32	3.28	4.53	7.09	4.17	5.36	15.14	46.73	3.96	11.51	14.07	23.03
$75,000 under $100,000	2.01	2.80	3.74	5.93	3.48	4.34	13.69	24.25	3.14	7.69	12.70	19.80
$100,000 under $200,000	1.59	2.20	2.38	3.67	2.63	3.31	9.91	22.52	1.82	3.38	6.84	12.51
$200,000 under $500,000	1.95	3.17	1.98	3.38	2.58	3.67	9.92	25.46	1.29	2.19	5.21	10.25
$500,000 under $1,000,000	2.67	4.77	2.05	3.78	2.74	3.56	10.54	32.20	1.27	1.98	5.35	10.90
$1,000,000 under $1,500,000	2.98	7.19	2.21	3.90	2.92	3.97	12.63	48.15	1.40	2.17	5.01	12.23
$1,500,000 under $2,000,000	2.42	5.94	1.76	4.13	2.51	4.62	9.43	25.07	1.07	1.89	3.99	9.89
$2,000,000 under $5,000,000	1.44	3.66	0.93	2.32	1.39	2.43	5.52	38.81	0.93	1.01	2.01	4.99
$5,000,000 under $10,000,000	1.29	5.55	0.81	1.44	1.20	0.97	4.96	8.20	0.58	0.98	1.51	4.12
$10,000,000 or more	0.08	0.02	–	–	–	–	–	–	–	–	–	–
Taxable returns, total	**0.80**	**1.11**	**1.26**	**1.42**	**1.40**	**1.58**	**5.12**	**10.64**	**0.92**	**0.67**	**3.53**	**2.98**
Nontaxable returns, total	**2.43**	**3.40**	**3.71**	**5.51**	**3.02**	**3.88**	**14.28**	**30.36**	**3.11**	**32.72**	**16.37**	**36.42**

Size of adjusted gross income	Farm net income less loss		Unemployment compensation		Taxable social security benefits		Foreign-earned income exclusion		Other income less loss		Total statutory adjustments	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	**2.39**	**5.28**	**1.78**	**2.31**	**0.94**	**1.06**	**2.01**	**1.75**	**1.37**	**2.75**	**0.56**	**0.81**
Under $5,000	24.65	30.06	30.24	45.85	38.04	43.00	22.05	21.71	19.84	224.97	7.01	11.24
$5,000 under $10,000	26.10	69.81	16.92	20.93	32.73	38.13	17.56	16.77	15.18	45.19	5.76	9.78
$10,000 under $15,000	18.26	27.20	13.71	17.14	25.67	33.71	17.27	17.16	11.62	44.40	4.75	7.51
$15,000 under $20,000	17.70	51.76	9.46	11.81	8.01	16.57	15.70	15.40	10.80	23.57	4.26	7.02
$20,000 under $25,000	17.65	30.65	9.15	11.28	4.84	6.34	15.50	15.06	9.53	20.12	4.24	6.76
$25,000 under $30,000	18.95	44.78	8.83	11.09	4.59	5.48	15.92	14.77	9.16	24.21	3.99	6.26
$30,000 under $35,000	16.76	99.50	7.99	10.01	4.62	5.21	15.40	15.22	8.77	21.35	3.82	6.19
$35,000 under $40,000	15.65	36.12	7.98	10.13	4.60	5.06	14.38	14.43	8.37	17.30	3.67	6.82
$40,000 under $45,000	18.09	36.16	7.73	9.61	4.87	5.29	16.26	15.68	8.79	18.22	3.55	5.42
$45,000 under $50,000	15.21	31.48	7.90	10.20	4.76	5.08	15.52	15.34	8.33	21.63	3.29	5.39
$50,000 under $55,000	15.45	81.24	7.68	9.89	4.69	5.04	14.52	14.73	7.90	18.29	3.34	6.11
$55,000 under $60,000	16.79	33.22	7.59	9.98	4.89	5.24	34.64	17.42	8.16	22.26	3.39	5.73
$60,000 under $75,000	8.78	16.62	4.69	6.38	2.82	3.09	8.04	8.08	4.65	12.64	1.96	3.64
$75,000 under $100,000	7.50	19.94	4.46	5.87	2.56	2.81	5.70	5.34	3.89	12.37	1.60	2.87
$100,000 under $200,000	5.36	11.84	4.28	5.57	2.06	2.25	2.65	2.56	2.75	7.41	1.17	1.86
$200,000 under $500,000	5.29	13.21	6.78	8.20	2.19	2.38	4.36	4.26	2.44	7.78	1.25	1.88
$500,000 under $1,000,000	5.57	12.34	12.52	14.32	2.56	2.75	2.61	2.66	2.47	9.34	1.44	2.19
$1,000,000 under $1,500,000	5.88	15.48	16.51	19.00	2.85	3.04	3.25	3.45	2.51	9.30	1.63	2.57
$1,500,000 under $2,000,000	5.15	15.77	13.59	16.08	2.27	2.46	4.50	4.81	1.93	8.31	1.28	2.54
$2,000,000 under $5,000,000	2.84	8.86	11.18	13.53	1.33	1.44	2.27	2.30	1.03	4.25	1.65	2.48
$5,000,000 under $10,000,000	2.38	2.53	13.53	12.59	1.20	1.25	0.29	0.32	0.88	2.90	0.70	1.08
$10,000,000 or more	–	–	–	–	0.08	0.07	–	–	0.04	–	0.03	0.07
Taxable returns, total	**2.63**	**5.53**	**1.96**	**2.54**	**0.98**	**1.08**	**2.26**	**1.95**	**1.46**	**2.85**	**0.61**	**0.85**
Nontaxable returns, total	**7.43**	**17.55**	**4.42**	**5.61**	**3.78**	**5.25**	**5.06**	**4.57**	**4.25**	**10.50**	**1.67**	**2.67**

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Total itemized deductions								
	Total in taxable income	Itemized deductions limitation		Medical and dental expenses deduction		Medical and dental expenses		Medical and dental expenses limitation	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)
All returns, total	**0.27**	**0.47**	**0.19**	**0.84**	**1.60**	**0.84**	**1.22**	**0.84**	**0.97**
Under $5,000	5.68	–	–	5.82	9.28	5.82	9.12	5.85	6.66
$5,000 under $10,000	4.53	–	–	4.65	8.08	4.65	7.71	4.65	4.74
$10,000 under $15,000	3.54	–	–	3.47	6.03	3.47	5.59	3.47	3.49
$15,000 under $20,000	2.98	–	–	3.40	5.95	3.40	5.39	3.40	3.42
$20,000 under $25,000	2.67	–	–	3.44	5.61	3.44	4.89	3.44	3.44
$25,000 under $30,000	2.62	–	–	3.40	6.27	3.40	5.23	3.40	3.40
$30,000 under $35,000	2.26	–	–	3.48	5.92	3.48	4.83	3.48	3.49
$35,000 under $40,000	2.20	–	–	3.49	5.90	3.49	4.70	3.49	3.49
$40,000 under $45,000	2.17	–	–	3.70	6.51	3.70	5.10	3.70	3.70
$45,000 under $50,000	2.14	–	–	3.74	6.90	3.74	5.24	3.74	3.74
$50,000 under $55,000	2.13	–	–	3.78	7.56	3.78	5.43	3.78	3.78
$55,000 under $60,000	2.13	–	–	4.20	6.94	4.20	5.20	4.20	4.20
$60,000 under $75,000	1.24	99.64	99.64	2.60	5.02	2.60	3.55	2.60	2.60
$75,000 under $100,000	1.02	8.92	10.08	2.67	5.93	2.67	3.83	2.67	2.67
$100,000 under $200,000	0.75	1.09	1.23	2.90	5.31	2.90	3.58	2.90	2.83
$200,000 under $500,000	0.86	0.72	0.66	5.47	9.18	5.47	6.67	5.47	5.24
$500,000 under $1,000,000	1.19	0.99	0.87	11.49	17.07	11.49	13.19	11.49	10.83
$1,000,000 under $1,500,000	1.57	1.19	1.14	18.26	22.03	18.26	18.59	18.26	17.69
$1,500,000 under $2,000,000	1.39	0.89	0.91	18.26	18.99	18.26	16.94	18.26	18.29
$2,000,000 under $5,000,000	0.76	1.02	0.51	19.13	20.91	19.13	17.82	19.13	17.70
$5,000,000 under $10,000,000	0.62	0.54	0.47	** 35.23	** 43.84	** 35.23	** 34.74	43.86	40.48
$10,000,000 or more	0.01	0.02	0.01	**	**	**	**	–	–
Taxable returns, total	**0.27**	**0.47**	**0.19**	**1.02**	**1.67**	**1.02**	**1.27**	**1.02**	**1.09**
Nontaxable returns, total	**1.29**	**11.92**	**1.13**	**1.61**	**3.13**	**1.61**	**2.81**	**1.61**	**2.00**

Size of adjusted gross income	Total itemized deductions--continued							
	Taxes paid deduction							
	Total		State and local taxes					
			Total		Income tax		General sales tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)
All returns, total	**0.27**	**0.24**	**0.27**	**0.28**	**0.35**	**0.31**	**0.78**	**1.07**
Under $5,000	4.72	7.12	5.09	16.18	8.83	24.02	6.23	10.22
$5,000 under $10,000	3.71	5.01	3.97	7.79	6.41	12.82	5.07	7.02
$10,000 under $15,000	2.81	3.75	2.97	5.20	4.85	8.71	3.78	5.83
$15,000 under $20,000	2.54	3.42	2.69	4.77	3.87	7.00	3.78	5.17
$20,000 under $25,000	2.34	2.95	2.42	3.94	3.34	4.24	3.56	7.49
$25,000 under $30,000	2.18	2.71	2.25	3.54	2.85	4.45	3.72	5.16
$30,000 under $35,000	2.04	2.65	2.10	3.37	2.57	4.13	3.68	4.98
$35,000 under $40,000	1.95	2.24	2.00	2.53	2.35	2.87	3.89	5.09
$40,000 under $45,000	1.93	2.35	1.98	2.88	2.34	3.34	3.86	4.78
$45,000 under $50,000	1.91	2.14	1.94	2.32	2.26	2.58	3.93	5.22
$50,000 under $55,000	1.89	2.12	1.92	2.25	2.24	2.50	3.88	5.07
$55,000 under $60,000	1.95	2.19	1.98	2.42	2.28	2.63	4.16	6.24
$60,000 under $75,000	1.09	1.27	1.11	1.46	1.27	1.60	2.61	3.46
$75,000 under $100,000	0.88	0.99	0.90	1.11	1.03	1.21	2.35	3.07
$100,000 under $200,000	0.65	0.71	0.66	0.79	0.77	0.85	1.94	2.57
$200,000 under $500,000	0.72	0.86	0.73	1.04	0.83	1.10	2.17	3.20
$500,000 under $1,000,000	0.99	1.14	0.99	1.27	1.13	1.31	2.73	5.12
$1,000,000 under $1,500,000	1.19	1.40	1.20	1.51	1.35	1.54	3.07	7.74
$1,500,000 under $2,000,000	0.89	1.31	0.90	1.42	1.02	1.45	2.51	6.87
$2,000,000 under $5,000,000	1.02	0.75	1.03	0.82	0.59	0.83	5.09	4.00
$5,000,000 under $10,000,000	0.54	0.63	0.55	0.66	0.61	0.67	1.40	3.05
$10,000,000 or more	0.02	0.02	0.02	0.02	0.03	0.02	–	–
Taxable returns, total	**0.29**	**0.25**	**0.30**	**0.29**	**0.37**	**0.31**	**0.89**	**1.15**
Nontaxable returns, total	**1.07**	**1.47**	**1.12**	**2.42**	**1.53**	**3.10**	**1.70**	**2.95**

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Total itemized deductions--continued											
	Taxes paid deduction--continued						Interest paid deduction					
	Real estate taxes		Personal property taxes		Other taxes		Total		Home mortgage interest			
									Total		Paid to financial institutions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)
All returns, total	**0.30**	**0.36**	**0.52**	**1.11**	**1.54**	**3.86**	**0.31**	**0.39**	**0.32**	**0.41**	**0.32**	**0.41**
Under $5,000	5.35	6.98	8.66	35.81	22.33	47.55	5.48	7.23	5.52	7.26	5.53	7.29
$5,000 under $10,000	4.19	5.46	6.51	11.27	21.33	35.05	4.45	5.54	4.50	5.56	4.56	5.66
$10,000 under $15,000	3.16	4.10	4.90	9.01	14.14	49.46	3.35	4.30	3.38	4.30	3.39	4.32
$15,000 under $20,000	2.90	3.84	4.22	14.82	11.35	18.71	3.10	3.80	3.12	3.81	3.14	3.85
$20,000 under $25,000	2.67	3.38	3.75	6.60	11.19	21.45	2.76	3.69	2.77	3.71	2.80	3.75
$25,000 under $30,000	2.48	3.19	3.48	6.97	9.54	18.60	2.54	3.02	2.56	3.03	2.57	3.04
$30,000 under $35,000	2.27	3.20	3.16	7.11	8.99	15.43	2.32	2.77	2.33	2.78	2.34	2.80
$35,000 under $40,000	2.17	2.71	3.06	5.52	8.13	16.91	2.20	2.72	2.20	2.73	2.21	2.74
$40,000 under $45,000	2.16	2.84	3.02	5.72	8.72	17.65	2.18	2.65	2.19	2.65	2.21	2.68
$45,000 under $50,000	2.09	2.57	2.94	5.56	8.40	15.89	2.14	2.59	2.15	2.59	2.16	2.61
$50,000 under $55,000	2.05	2.60	2.89	5.55	8.08	18.24	2.09	2.60	2.10	2.59	2.11	2.61
$55,000 under $60,000	2.09	2.65	2.91	5.55	7.74	19.65	2.13	2.61	2.14	2.61	2.15	2.62
$60,000 under $75,000	1.17	1.48	1.69	3.54	4.75	8.41	1.19	1.48	1.20	1.48	1.20	1.48
$75,000 under $100,000	0.94	1.19	1.43	2.56	3.96	9.44	0.97	1.22	0.97	1.22	0.98	1.23
$100,000 under $200,000	0.69	0.86	1.11	2.25	3.05	11.79	0.72	0.95	0.73	0.95	0.73	0.95
$200,000 under $500,000	0.76	0.95	1.29	2.22	3.09	7.56	0.83	1.11	0.85	1.11	0.86	1.12
$500,000 under $1,000,000	1.02	1.30	1.73	3.33	3.62	8.17	1.13	1.56	1.21	1.54	1.22	1.56
$1,000,000 under $1,500,000	1.23	1.65	2.07	3.94	4.12	9.54	1.36	2.00	1.48	1.88	1.49	1.90
$1,500,000 under $2,000,000	0.93	1.46	1.63	3.75	3.30	8.45	1.02	2.03	1.15	1.53	1.17	1.55
$2,000,000 under $5,000,000	1.07	0.74	0.98	2.12	1.87	4.43	1.23	1.23	1.53	1.05	1.57	1.08
$5,000,000 under $10,000,000	0.56	0.70	0.93	2.35	1.77	4.95	0.60	0.97	0.74	0.88	0.75	0.89
$10,000,000 or more	0.02	0.01	0.04	–	0.14	–	0.02	–	0.03	–	0.03	–
Taxable returns, total	**0.32**	**0.38**	**0.56**	**1.12**	**1.61**	**4.07**	**0.34**	**0.40**	**0.34**	**0.42**	**0.35**	**0.42**
Nontaxable returns, total	**1.17**	**1.53**	**1.72**	**4.19**	**5.16**	**12.38**	**1.17**	**1.48**	**1.18**	**1.49**	**1.19**	**1.50**

Size of adjusted gross income	Total itemized deductions--continued											
	Interest paid deduction--continued						Contributions deduction					
	Home mortgage interest--cont.		Deductible points		Investment interest expense deduction		Total		Cash contributions		Other than cash contributions	
	Paid to individuals											
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)
All returns, total	**2.56**	**3.52**	**1.55**	**4.64**	**1.50**	**1.02**	**0.30**	**0.45**	**0.32**	**2.41**	**0.46**	**1.26**
Under $5,000	37.03	43.87	24.28	39.09	25.59	32.86	6.01	7.88	6.47	9.75	9.17	14.78
$5,000 under $10,000	20.85	23.07	20.92	43.39	21.38	26.54	4.65	6.38	4.83	10.34	7.09	13.66
$10,000 under $15,000	22.20	33.43	14.57	28.40	19.40	27.94	3.39	4.98	3.52	6.30	5.40	23.32
$15,000 under $20,000	18.50	21.88	13.56	28.08	18.55	37.68	3.03	4.57	3.14	5.13	4.39	14.13
$20,000 under $25,000	16.21	21.12	11.55	26.64	16.18	38.16	2.75	4.13	2.86	4.60	3.87	6.80
$25,000 under $30,000	17.54	25.25	11.43	24.60	17.26	27.81	2.51	3.83	2.61	4.12	3.46	7.09
$30,000 under $35,000	17.84	21.85	9.75	19.71	15.83	30.87	2.33	3.57	2.43	3.99	3.15	7.31
$35,000 under $40,000	13.32	21.12	9.18	24.86	14.94	26.05	2.21	3.39	2.29	3.72	2.97	4.87
$40,000 under $45,000	13.43	15.86	8.34	18.86	14.89	24.75	2.18	3.43	2.27	3.94	2.92	7.39
$45,000 under $50,000	12.97	19.59	8.45	17.74	13.59	28.59	2.13	3.42	2.21	3.83	2.85	5.44
$50,000 under $55,000	13.24	18.64	8.47	21.61	14.81	25.79	2.09	3.33	2.16	3.65	2.76	5.87
$55,000 under $60,000	13.21	20.19	9.22	25.54	13.76	24.32	2.13	3.43	2.21	3.85	2.82	5.07
$60,000 under $75,000	7.81	12.09	4.80	10.91	7.89	15.69	1.20	2.02	1.24	2.26	1.61	5.39
$75,000 under $100,000	6.54	10.02	4.03	10.17	6.01	15.14	0.95	1.74	0.99	1.93	1.29	2.85
$100,000 under $200,000	5.07	7.92	2.89	11.05	3.33	7.45	0.69	1.32	0.72	9.71	0.94	5.32
$200,000 under $500,000	5.43	7.56	3.03	11.43	2.17	4.63	0.75	1.61	0.77	2.15	1.08	8.93
$500,000 under $1,000,000	6.03	8.26	3.85	10.10	1.96	4.51	1.02	2.18	1.02	3.29	1.52	7.92
$1,000,000 under $1,500,000	6.98	10.12	4.53	12.41	1.98	4.19	1.22	2.58	1.23	3.47	1.83	9.91
$1,500,000 under $2,000,000	5.68	8.23	3.81	13.77	1.48	3.84	0.91	2.45	0.92	5.36	1.45	8.23
$2,000,000 under $5,000,000	3.38	4.30	2.39	8.45	0.76	1.86	0.52	1.24	0.52	1.50	0.86	3.83
$5,000,000 under $10,000,000	3.13	3.95	2.36	7.97	0.68	1.15	0.55	0.91	0.55	1.14	0.84	1.83
$10,000,000 or more	–	–	–	–	–	–	0.02	–	0.02	–	0.03	–
Taxable returns, total	**2.73**	**3.69**	**1.65**	**4.67**	**1.55**	**1.04**	**0.32**	**0.47**	**0.34**	**0.64**	**0.49**	**1.30**
Nontaxable returns, total	**7.38**	**10.20**	**4.50**	**12.59**	**6.03**	**4.90**	**1.27**	**2.09**	**1.32**	**24.63**	**1.80**	**4.37**

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Total itemized deductions--continued									
	Contributions deduction--cont.		Casualty or theft loss deduction		Limited miscellaneous deductions					
	Carryover from prior years				Total after limitation		Unreimbursed employee business expense		Tax preparation fees	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)
All returns, total	**3.64**	**5.19**	**6.10**	**11.14**	**0.77**	**1.03**	**0.65**	**1.06**	**0.54**	**0.81**
Under $5,000	14.45	22.54	67.98	61.04	7 78	18.73	14 73	25.58	8.56	11.53
$5,000 under $10,000	14.64	26.98	45.72	67.60	6.67	13 47	11.98	18.59	6.39	9 26
$10,000 under $15,000	13 14	29.21	32.78	74.75	6.15	10.42	8 81	13.68	4 93	6.27
$15,000 under $20,000	13.65	32.43	35 62	44 83	5.15	7.85	5.83	8.55	4 16	5.33
$20,000 under $25,000	16.05	34.31	24.08	37.18	4 61	6.97	4.87	7.44	3 79	5 07
$25,000 under $30,000	18.70	28.33	27.32	52.89	4 10	5 92	4.05	5.81	3.45	5.09
$30,000 under $35,000	16.99	29 62	24.18	40 50	3.85	5.43	3 67	5.47	3.21	4 23
$35,000 under $40,000	19.70	48.79	27.34	47.74	3.59	5.13	3.44	5.08	3.05	3 89
$40,000 under $45,000	20.61	20.37	25.95	40.05	3.68	5.19	3.36	5.05	3 01	3.75
$45,000 under $50,000	18 50	51.28	36.17	58.08	3.75	5.36	3.33	5.17	2.97	4.90
$50,000 under $55,000	18 84	34 10	28.10	40.21	3 60	5.25	3 22	4.94	2.87	4 85
$55,000 under $60,000	24 21	38.13	25.26	35.06	3.83	5.42	3.31	5 21	2.97	4.29
$60,000 under $75,000	13.08	44 10	17 46	29 68	2 24	3.29	1 89	3.10	1.73	3.96
$75,000 under $100,000	14 23	45.31	19.89	37.93	2.05	2.96	1.63	2 69	1.48	2.15
$100,000 under $200,000	10.08	27.40	15 03	31.12	1.73	2.35	1.37	2.16	1.17	1.88
$200,000 under $500,000	8.29	21.63	14.53	15.67	2.19	3.06	1.99	3.35	1.35	2 29
$500,000 under $1,000,000	7.56	27 12	16.83	27.12	3.08	4 11	3 37	6.56	1.79	2.81
$1,000,000 under $1,500,000	7.68	12.85	19.31	42.02	3.40	4.92	4.50	11.76	2 11	3 21
$1,500,000 under $2,000,000	6.18	15 84	17.75	38.45	2.83	5.59	3.74	8.66	1.65	3.30
$2,000,000 under $5,000,000	3.09	9 65	10.34	35.39	1.58	2.28	2.41	5.25	0.97	1 67
$5,000,000 under $10,000,000	2.26	2.16	9 48	12.36	1.34	1.91	2.50	4 42	0.92	1.37
$10,000,000 or more	–	–	–	–	–	–	0.37	0.01	–	–
Taxable returns, total	**4.64**	**5.57**	**7.21**	**9.63**	**0.84**	**1.07**	**0.69**	**1.10**	**0.58**	**0.86**
Nontaxable returns, total	**5.90**	**10.50**	**11.45**	**16.91**	**2.06**	**3.35**	**2.23**	**3.53**	**1.80**	**2.56**

Size of adjusted gross income	Total itemized deductions--continued										Exemptions	
	Limited miscellaneous deductions--continued				Gambling loss deduction		Miscellaneous deductions other than gambling		Total unlimited miscellaneous deduction			
	Other limited miscellaneous deductions		Miscellaneous deductions subject to 2% AGI limitation									
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(100)	(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)	(109)	(110)	(111)
All returns, total	**0.82**	**1.07**	**0.43**	**0.80**	**2.51**	**3.14**	**3.37**	**5.68**	**2.02**	**2.95**	**0.32**	**0.33**
Under $5,000	10.19	26.65	7.39	18.36	38 20	37.12	41.91	48.62	27 29	31.11	5.47	5.47
$5,000 under $10,000	9.11	20.27	5.59	12.40	23.72	27.97	44 64	69.17	20.95	26.99	4 11	4 11
$10,000 under $15,000	7 43	13.97	4.34	9 47	20.94	31.88	31.26	47.05	17 41	28 19	3.10	3 10
$15,000 under $20,000	6.55	13.47	3 62	7.29	15.97	28 80	24 12	32.91	13.25	22.10	2.89	2.89
$20,000 under $25,000	5.70	13.12	3.30	6.46	15.56	19.49	24.30	34.04	13.32	17.36	2.64	2 64
$25,000 under $30,000	5.35	17.43	2.96	5 50	16.11	22.03	17.65	32.01	12.19	18.69	2.49	2.49
$30,000 under $35,000	5 25	11.32	2 73	4.99	14 27	18.79	16.30	35 20	10.75	18.02	2.37	2.37
$35,000 under $40,000	4.81	9.93	2.61	4 66	14.78	20.56	18.99	47 27	11.91	20.63	2.25	2.25
$40,000 under $45,000	4.93	11.01	2.56	4 67	13.53	16.98	19.87	29.95	11 24	14.81	2.27	2.27
$45,000 under $50,000	4.90	10.01	2.54	4.74	12 67	19.45	18.69	27.91	10.66	16.54	2 25	2.25
$50,000 under $55,000	4.52	13.10	2.46	4.59	11.87	16.61	17.22	38.22	9.85	15.28	2 23	2.23
$55,000 under $60,000	4.84	10.23	2.54	4 71	12.19	17.98	19.62	31.06	10.56	16.51	2 27	2.27
$60,000 under $75,000	2.76	5.52	1 46	2.77	7 68	12.11	13.46	20.59	6.70	11.05	1 28	1 28
$75,000 under $100,000	2.37	5.34	1 23	2.38	6.65	10.16	11.72	20.77	5.82	9.35	1.03	1.03
$100,000 under $200,000	1 64	3.36	0.95	1.80	5.01	8.09	8.37	19 21	4.31	8.42	0.76	0.76
$200,000 under $500,000	1.53	2.93	1.08	2 14	5.51	9.02	5.81	16.01	4.01	8 48	0 83	1.00
$500,000 under $1,000,000	1 64	2.96	1.37	2.63	6.63	11.39	4 47	16 52	3.72	10 47	1.15	1.17
$1,000,000 under $1,500,000	1.73	3.18	1.55	3.08	7.33	13.69	3.96	11.53	3.51	12 64	1.38	1.40
$1,500,000 under $2,000,000	1.29	3.51	1.16	3.17	6.23	13.03	3.01	12.80	2.70	11 41	1.04	1.05
$2,000,000 under $5,000,000	0 68	1 46	0.64	1.37	3.65	6.83	1.46	9.08	1.35	6.11	0.68	0.62
$5,000,000 under $10,000,000	0 63	1.15	0.61	1 09	3.40	7.09	1.09	1 82	1.04	6.08	0.63	0 64
$10,000,000 or more	0.02	–	0.02	–	–	–	–	–	–	–	0.03	0.03
Taxable returns, total	**0.87**	**1.03**	**0.46**	**0.82**	**2.68**	**3.42**	**3.58**	**6.05**	**2.15**	**3.12**	**0.33**	**0.35**
Nontaxable returns, total	**2.73**	**6.44**	**1.53**	**3.07**	**7.32**	**6.86**	**9.72**	**14.60**	**5.87**	**8.96**	**1.23**	**1.23**

Table 2.1CV--Coefficient of Variation for Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Taxable income		Alternative minimum tax		Income tax before credits		Total tax credits		Income tax after credits		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(112)	(113)	(114)	(115)	(116)	(117)	(118)	(119)	(120)	(121)	(122)	(123)
All returns, total	**0.28**	**0.19**	**0.69**	**0.76**	**0.28**	**0.22**	**0.50**	**0.63**	**0.29**	**0.23**	**0.29**	**0.23**
Under $5,000	36.11	41.36	67.42	52.31	32.93	37.58	60.04	60.59	34.72	42.54	34.72	42.54
$5,000 under $10,000	14.14	19.47	96.04	42.09	13.94	20.44	19.84	33.22	17.45	24.35	17.45	24.35
$10,000 under $15,000	5.23	6.67	72.16	81.65	5.22	6.85	11.92	19.13	5.51	7.19	5.51	7.19
$15,000 under $20,000	3.75	4.36	72.68	48.67	3.74	4.57	7.25	10.89	4.02	4.88	4.02	4.88
$20,000 under $25,000	2.85	3.35	96.22	53.96	2.85	3.53	4.57	6.56	3.21	3.91	3.21	3.91
$25,000 under $30,000	2.42	2.75	78.50	77.91	2.42	2.91	4.02	5.25	2.77	3.28	2.77	3.28
$30,000 under $35,000	2.16	2.41	76.20	77.81	2.16	2.50	3.43	4.45	2.41	2.79	2.41	2.79
$35,000 under $40,000	2.01	2.21	49.55	81.30	2.01	2.31	3.10	3.92	2.21	2.55	2.21	2.55
$40,000 under $45,000	1.97	2.12	49.11	49.91	1.97	2.20	3.07	3.82	2.14	2.41	2.14	2.41
$45,000 under $50,000	1.94	2.07	35.53	47.52	1.94	2.16	2.89	3.62	2.09	2.38	2.09	2.38
$50,000 under $55,000	1.91	2.02	27.58	35.81	1.91	2.12	2.89	3.56	2.03	2.32	2.03	2.32
$55,000 under $60,000	1.96	2.05	23.29	35.32	1.96	2.16	3.00	3.66	2.05	2.34	2.05	2.34
$60,000 under $75,000	1.10	1.15	10.03	14.10	1.10	1.20	1.61	2.00	1.13	1.30	1.13	1.30
$75,000 under $100,000	0.88	0.91	7.04	11.35	0.88	0.95	1.29	1.64	0.89	1.01	0.89	1.01
$100,000 under $200,000	0.65	0.64	1.88	3.22	0.65	0.66	1.07	1.74	0.65	0.67	0.65	0.67
$200,000 under $500,000	0.72	0.68	0.81	1.18	0.72	0.68	1.15	3.72	0.72	0.69	0.72	0.69
$500,000 under $1,000,000	0.99	0.90	1.62	2.13	0.99	0.91	1.27	4.30	0.99	0.92	0.99	0.92
$1,000,000 under $1,500,000	1.19	1.15	2.31	3.97	1.19	1.19	1.49	3.77	1.19	1.20	1.19	1.20
$1,500,000 under $2,000,000	0.89	0.91	1.92	3.30	0.89	0.94	1.09	3.51	0.89	0.95	0.89	0.95
$2,000,000 under $5,000,000	1.02	1.27	1.14	1.85	1.02	1.56	0.60	2.02	1.02	1.60	1.02	1.60
$5,000,000 under $10,000,000	0.54	0.46	1.01	1.53	0.54	0.49	0.62	1.45	0.54	0.49	0.54	0.49
$10,000,000 or more	0.02	0.01	--	--	0.02	0.02	0.03	--	0.02	0.02	0.02	0.02
Taxable returns, total	**0.29**	**0.19**	**0.69**	**0.76**	**0.29**	**0.22**	**0.54**	**0.68**	**0.29**	**0.23**	**0.29**	**0.23**
Nontaxable returns, total	**1.71**	**2.04**	**27.77**	**39.23**	**1.70**	**2.04**	**1.70**	**2.04**	--	--	--	--

** Data combined to avoid disclosure of information for specific taxpayers.

Table 2.2 -- Returns with Itemized Deductions: Sources of Income, Adjustments, Deductions, Credits, and Tax Items, by Marital Status

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Item	All returns		Joint returns of married persons		Separate returns of married persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income less deficit	49,123,555	5,703,411,397	28,934,283	4,264,299,136	1,193,892	121,891,144
Salaries and wages	42,242,629	3,606,296,025	26,021,603	2,707,358,732	1,018,155	57,173,108
Taxable interest	34,125,046	159,584,048	22,085,790	111,738,934	600,737	5,330,729
Tax-exempt interest	4,222,541	62,680,581	2,742,033	41,809,659	65,878	1,979,096
Ordinary dividends	18,716,079	164,852,577	12,519,050	113,076,748	287,857	5,236,093
Qualified dividends	16,016,413	116,974,712	10,745,282	80,895,806	244,511	3,607,007
State income tax refunds	20,973,322	22,831,386	13,225,888	16,289,076	435,239	488,893
Alimony received	241,090	6,314,045	11,095	198,369	6,000	154,590
Business or profession:						
Net income	7,225,926	232,747,543	5,340,455	176,969,268	131,894	8,338,976
Net loss	3,185,997	27,788,327	2,278,892	20,118,524	52,694	664,882
Sales of capital assets:						
Net gain in AGI	10,710,760	704,409,758	7,097,094	534,829,358	155,728	26,530,461
Net loss in AGI	5,396,852	12,043,700	3,690,601	8,355,157	92,811	115,292
Sales of property other than capital assets, net gain less loss	1,162,514	4,612,509	886,890	3,687,940	26,246	210,348
Taxable IRA distributions	4,829,457	80,887,147	3,037,788	57,326,083	55,921	873,799
Taxable pensions and annuities	11,029,556	251,431,238	6,780,873	169,019,049	199,275	4,116,389
Rent and royalty:						
Net income	3,478,166	61,212,112	2,460,013	44,520,487	60,889	1,522,694
Net loss	3,608,366	42,566,634	2,425,212	29,679,768	38,687	523,654
Farm rental net income less loss	284,440	1,583,611	180,954	950,189	4,000	31,968
Partnership and S Corporation net income less loss	5,599,312	431,469,010	4,314,873	356,604,991	108,481	11,551,730
Estate and trust net income less loss	416,705	15,704,443	226,053	8,046,245	4,184	1,085,107
Farm net income less loss	756,895	-7,515,850	621,749	-6,343,165	8,938	-135,159
Unemployment compensation	2,604,896	11,009,458	1,716,637	7,272,849	56,228	233,456
Taxable social security benefits	6,994,732	86,089,204	4,373,952	61,578,580	114,812	1,250,138
Other income less loss	3,407,006	24,886,393	2,400,244	18,116,108	64,458	633,930
Total statutory adjustments	16,945,059	83,337,280	12,143,648	63,251,583	244,228	1,421,672
Medical savings account deduction	12,224	26,318	8,837	20,571	* 79	* 117
Certain business expenses of reservist, performing artists, etc.	68,197	185,177	46,220	113,082	* 1,651	* 537
Health savings account deduction	269,147	707,856	221,221	622,984	908	4,194
Moving expenses adjustment	554,531	2,081,645	340,999	1,396,392	10,474	49,884
Deduction for self-employment tax	7,956,241	16,377,923	5,996,088	12,852,015	145,378	350,578
Payments to a Keogh plan	1,037,371	20,244,768	822,143	16,379,598	13,841	225,647
Self-employed health insurance deduction	2,565,354	15,405,758	1,836,962	12,653,553	35,086	179,437
Penalty on early withdrawal of savings	550,151	201,608	342,683	113,305	9,958	3,479
Alimony paid	411,619	7,548,605	169,744	3,074,887	21,629	402,527
IRA payments	1,781,815	7,485,703	1,268,250	5,883,871	20,173	62,606
Student loan interest deduction	3,888,263	2,849,501	2,919,248	2,226,999	–	–
Jury duty pay	32,719	46,202	18,127	14,807	* 1,002	* 36
Domestic production activities deduction	328,158	3,108,505	269,471	2,567,447	5,982	112,989
Educator expenses deduction	2,238,167	578,928	1,684,630	446,672	40,079	9,783
Tuition and fees deduction	2,453,812	5,676,661	1,824,206	4,307,623	–	–
Total itemized deductions	49,123,555	1,229,237,288	28,934,283	859,077,233	1,193,892	24,245,099
Medical and dental expenses deduction	10,208,792	70,704,272	5,527,496	37,045,862	198,542	881,003
Taxes paid deduction	48,660,923	432,774,100	28,856,871	318,838,613	1,166,798	8,335,769
Interest paid deduction	40,284,927	470,474,844	25,955,455	337,640,907	853,228	8,817,656
Contributions deduction	41,437,749	186,646,644	25,878,929	137,208,329	859,873	4,613,504
Casualty or theft loss deduction	206,287	5,135,555	100,983	3,272,748	6,816	99,488
Total miscellaneous deductions	13,484,217	98,654,116	6,995,492	54,237,813	311,157	2,581,517
Taxable income	45,237,593	4,144,450,317	27,102,850	3,143,068,175	1,106,106	93,642,497
Alternative minimum tax	3,808,616	20,894,160	2,913,481	16,611,630	144,050	659,095
Total tax credits	21,492,514	34,178,844	15,741,566	27,595,148	340,397	776,268
Foreign tax credit	4,478,567	8,115,888	3,057,604	5,927,464	71,505	501,209
Child care credit	3,719,779	1,963,036	2,929,894	1,527,268	20,594	11,576
Credit for the elderly or disabled	8,818	842	* 1,658	* 87	–	–
Education credit	3,082,295	3,110,961	2,277,584	2,431,997	–	–
Retirement savings contribution credit	1,020,667	164,338	641,671	115,988	19,589	1,369
Residential energy credits	3,426,650	808,023	2,432,733	591,217	73,864	16,129
Child tax credit	12,044,496	17,316,902	9,685,381	14,894,944	188,793	199,376
Alternative motor vehicle credit	19,591	40,327	16,393	32,247	* 646	* 1,094
Earned income credit used to offset income tax before credits	209,355	60,089	22,352	3,933	–	–
Minimum tax credit	321,423	957,739	245,979	787,306	4,617	17,673
General business credit	298,607	1,134,924	219,218	874,197	1,776	23,476
Empowerment zone and renewal community employment credit	27,744	108,392	24,257	88,158	264	2,771
Income tax after credits	42,402,082	837,275,584	25,420,399	641,788,649	1,064,528	20,680,471
Total income tax	42,402,082	837,277,177	25,420,399	641,790,207	1,064,528	20,680,471
Total tax liability	43,574,152	872,830,651	26,158,507	669,339,154	1,097,106	21,468,375
Total tax payments	48,716,892	941,297,089	28,805,468	710,296,800	1,162,406	21,030,255
Income tax withheld	44,586,085	626,100,343	27,001,963	466,058,673	1,046,958	9,636,595
Estimated tax payments	7,021,783	228,659,591	4,629,367	177,012,710	125,769	7,447,712
Overpayment refunded	35,049,624	126,787,598	19,813,435	82,107,439	717,455	1,912,434
Tax due at time of filing	11,828,021	95,767,321	7,693,494	71,121,152	421,207	4,070,230

Footnotes at end of table.

Table 2.2 -- Returns with Itemized Deductions: Sources of Income, Adjustments, Deductions, Credits, and Tax Items, by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Item	Returns of heads of households		Returns of surviving spouses		Returns of single persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income less deficit	4,497,298	277,234,496	22,174	2,096,689	14,475,908	1,037,889,932
Salaries and wages	4,190,769	220,358,072	18,134	1,154,623	10,993,969	620,251,489
Taxable interest	2,055,414	3,393,379	20,874	91,589	9,362,231	39,029,416
Tax-exempt interest	106,129	961,257	1,386	45,004	1,307,115	17,885,565
Ordinary dividends	721,391	3,335,043	10,889	58,226	5,176,891	43,146,468
Qualified dividends	590,569	2,311,254	7,966	23,344	4,428,084	30,137,300
State income tax refunds	1,862,649	1,649,374	7,990	8,467	5,441,556	4,395,577
Alimony received	100,877	2,685,459	--	--	123,118	3,275,627
Business or profession:						
Net income	420,552	10,055,021	2,536	64,397	1,330,489	37,319,881
Net loss	226,783	1,872,476	* 953	* 944	626,676	5,131,502
Sales of capital assets:						
Net gain in AGI	401,325	16,103,821	5,696	439,008	3,050,917	126,507,110
Net loss in AGI	208,041	459,627	2,744	3,562	1,402,655	3,110,062
Sales of property other than capital assets	28,012	-26,486	868	21,986	220,498	718,721
Taxable IRA distributions	180,338	2,601,688	* 293	* 3,232	1,555,117	20,082,345
Taxable pensions and annuities	530,856	8,694,346	8,157	162,996	3,510,395	69,438,457
Rent and royalty						
Net income	118,292	1,609,509	1,657	23,548	837,315	13,535,874
Net loss	256,358	3,055,670	2,333	37,490	885,776	9,270,052
Farm rental net income less loss	5,449	15,837	--	--	94,037	585,618
Partnership and S Corporation net income less loss	179,672	10,798,541	1,505	18,345	994,781	52,495,403
Estate and trust net income less loss	14,635	621,419	206	31,751	171,626	5,919,920
Farm net income less loss	19,120	-165,931	* 1,043	* 2,743	106,045	-874,338
Unemployment compensation	233,989	871,455	* 139	* 1,332	597,904	2,630,366
Taxable social security benefits	131,797	1,218,284	3,486	30,219	2,370,684	22,011,985
Other income less loss	178,842	1,426,041	2,791	29,216	760,672	4,681,097
Total statutory adjustments	1,203,281	4,354,612	8,373	20,376	3,345,529	14,289,037
Medical savings account deduction	* 40	* 130	--	--	3,268	5,499
Certain business expenses of reservist, performing artists, etc.	* 4,559	* 14,375	--	--	15,767	57,183
Health savings account deduction	6,315	14,753	--	--	40,703	65,925
Moving expenses adjustment	33,070	100,946	* 1,623	* 3,861	168,365	530,561
Deduction for self-employment tax	417,246	687,013	2,578	3,484	1,394,952	2,484,835
Payments to a Keogh plan	35,211	569,861	* 49	* 2,167	166,127	3,067,495
Self-employed health insurance deduction	123,318	519,438	360	1,484	569,627	2,051,846
Penalty on early withdrawal of savings	40,998	20,802	--	--	156,513	64,022
Alimony paid	62,085	1,035,509	--	--	158,161	3,035,682
IRA payments	96,024	287,389	* 394	* 1,931	396,974	1,249,907
Student loan interest deduction	283,867	188,065	* 1,018	* 763	684,130	433,674
Jury duty pay	* 3,974	* 20,309	--	--	9,616	11,050
Domestic production activities deduction	8,181	56,948	* 201	* 1,324	44,323	369,796
Educator expenses deduction	141,681	34,086	* 1,250	* 313	370,527	88,074
Tuition and fees deduction	306,945	726,133	* 1,887	* 5,049	320,773	637,856
Total itemized deductions	4,497,298	84,884,598	22,174	523,648	14,475,908	260,506,710
Medical and dental expenses deduction	870,723	3,306,083	6,552	39,718	3,605,479	29,431,606
Taxes paid deduction	4,412,260	22,925,417	22,172	189,966	14,202,822	82,484,335
Interest paid deduction	3,763,080	38,824,164	18,520	215,374	9,694,644	84,976,744
Contributions deduction	3,522,484	8,971,560	19,086	59,887	11,157,377	35,793,365
Casualty or theft loss deduction	26,499	741,880	--	--	71,989	1,021,438
Total miscellaneous deductions	1,710,043	10,788,687	6,375	32,104	4,461,149	31,013,996
Taxable income	3,974,481	162,025,715	16,163	1,510,469	13,037,994	744,203,462
Alternative minimum tax	262,932	814,579	1,734	7,494	486,419	2,801,362
Total tax credits	2,720,461	3,253,722	10,712	14,989	2,679,378	2,538,716
Foreign tax credit	122,102	279,351	4,222	3,419	1,223,135	1,404,445
Child care credit	728,077	405,718	* 808	* 291	40,405	18,182
Credit for the elderly or disabled	--	--	--	--	7,160	756
Education credit	357,936	312,660	* 1,018	* 1,680	445,756	364,624
Retirement savings contribution credit	233,842	31,066	--	--	125,565	15,915
Residential energy credits	247,223	56,150	* 180	* 27	672,650	144,501
Child tax credit	1,981,643	2,041,296	7,386	6,767	181,292	174,518
Alternative motor vehicle credit	* 10	* 18	--	--	* 2,542	* 6,968
Earned income credit used to offset income tax before credits	150,894	50,621	--	--	36,110	5,535
Minimum tax credit	11,516	12,987	* 16	* 624	59,295	139,150
General business credit	9,590	21,392	* 154	* 1,625	67,869	214,235
Empowerment zone and renewal community employment credit	1,057	4,810	* 11	* 58	2,155	12,596
Income tax after credits	3,056,607	26,290,736	14,528	284,434	12,846,019	148,231,295
Total income tax	3,056,607	26,290,736	14,528	284,434	12,846,019	148,231,329
Total tax liability	3,157,002	27,716,292	15,544	292,022	13,145,993	154,014,807
Total tax payments	4,464,102	38,959,830	22,174	341,264	14,262,741	170,668,940
Income tax withheld	4,194,446	31,889,180	18,467	206,062	12,324,251	118,309,834
Estimated tax payments	183,199	4,824,829	2,775	108,618	2,080,673	39,265,723
Overpayment refunded	3,980,928	15,561,546	17,632	78,203	10,520,174	27,127,977
Tax due at time of filing	452,657	2,929,693	4,393	37,951	3,256,271	17,608,296

* Estimate should be used with caution due to the small number of sample returns on which it is based.

NOTE: Detail may not add to totals because of rounding.

Table 2.3--All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents				
				Total				
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
							Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	**138,394,754**	**275,256,944**	**181,770,971**	**51,367,931**	**93,485,973**	**3,688,689,632**	**27,087,423**	**437,839,973**
Under $5,000	14,308,963	13,594,847	10,213,103	1,975,455	3,381,744	-26,149,550	2,198	39,603
$5,000 under $10,000	11,786,747	14,789,260	10,185,562	2,969,679	4,603,698	23,009,572	* 12	* 2
$10,000 under $15,000	11,711,680	19,526,046	12,471,642	4,062,328	7,054,404	50,753,947	51,906	6,492
$15,000 under $20,000	10,937,694	19,703,873	12,805,773	3,984,871	6,898,100	69,716,994	181,051	65,580
$20,000 under $25,000	9,912,261	19,004,738	12,104,115	3,889,201	6,900,623	87,550,028	298,503	178,433
$25,000 under $30,000	8,749,761	17,047,316	10,921,774	3,362,985	6,125,542	92,188,322	645,787	513,244
$30,000 under $35,000	7,554,418	15,013,013	9,728,251	2,826,462	5,284,762	91,683,348	1,102,799	1,201,036
$35,000 under $40,000	6,597,407	13,190,097	8,819,117	2,376,379	4,370,980	88,965,925	1,286,802	1,779,810
$40,000 under $45,000	5,677,163	11,882,510	7,842,002	2,173,774	4,040,508	92,315,802	1,405,640	2,496,825
$45,000 under $50,000	5,010,030	10,782,579	7,187,865	1,950,804	3,594,714	92,668,633	1,449,799	3,078,612
$50,000 under $55,000	4,644,439	10,547,543	6,935,748	1,887,400	3,611,795	99,025,996	1,497,292	3,787,685
$55,000 under $60,000	4,092,692	9,474,139	6,402,942	1,679,258	3,071,197	96,479,431	1,451,987	4,258,792
$60,000 under $75,000	10,117,786	24,801,813	16,627,333	4,415,061	8,174,481	297,262,101	4,074,134	15,856,992
$75,000 under $100,000	11,140,408	29,937,280	19,771,328	5,418,601	10,165,952	469,068,357	5,282,855	33,019,320
$100,000 under $200,000	12,088,423	34,219,151	22,254,680	6,267,652	11,964,471	833,621,032	6,232,325	97,874,716
$200,000 under $500,000	3,121,485	9,008,457	5,766,271	1,654,496	3,242,186	472,034,323	1,651,664	93,559,654
$500,000 under $1,000,000	589,306	1,727,892	1,087,089	306,066	640,803	206,421,598	305,521	50,441,902
$1,000,000 under $1,500,000	150,431	432,991	276,190	73,224	156,801	88,368,244	73,082	22,538,777
$1,500,000 under $2,000,000	64,007	181,815	117,077	30,246	64,738	51,951,994	30,186	13,270,670
$2,000,000 under $5,000,000	98,724	275,826	178,886	45,235	96,940	135,104,828	45,151	34,091,020
$5,000,000 under $10,000,000	24,975	70,750	45,426	11,512	25,324	78,731,821	11,498	18,827,219
$10,000,000 or more	15,956	45,008	28,799	7,244	16,209	197,916,886	7,232	40,953,589
Taxable returns, total	**92,740,927**	**174,414,838**	**128,266,831**	**27,087,423**	**46,148,006**	**3,191,613,484**	**27,087,423**	**437,839,973**
Nontaxable returns, total	**45,653,826**	**100,842,106**	**53,504,140**	**24,280,508**	**47,337,966**	**497,076,149**	--	--

Size of adjusted gross income	Exemptions for dependents--continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns, total	**46,497,241**	**82,277,150**	**3,496,693,785**	**24,578,437**	**421,275,534**	**638,886**	**814,528**	**49,687,824**	**492,042**	**6,423,431**
Under $5,000	1,749,532	2,891,925	-25,293,542	1,996	38,657	* 13,475	* 17,043	* -595,638	* 201	* 765
$5,000 under $10,000	2,568,679	3,869,145	19,917,316	* 12	* 2	21,023	27,037	167,363	--	--
$10,000 under $15,000	3,487,454	5,904,609	43,513,822	8,513	1,461	27,807	38,504	364,776	4,066	625
$15,000 under $20,000	3,399,756	5,640,801	59,470,870	44,226	13,038	24,032	38,404	429,027	637	337
$20,000 under $25,000	3,334,313	5,647,622	75,007,317	83,781	36,845	34,726	45,790	786,559	14,203	5,160
$25,000 under $30,000	2,899,124	4,972,126	79,464,275	400,306	252,334	39,481	48,100	1,090,257	31,143	30,526
$30,000 under $35,000	2,484,007	4,373,850	80,604,135	862,770	844,431	38,505	47,216	1,239,885	26,207	31,333
$35,000 under $40,000	2,106,233	3,692,274	78,851,768	1,067,980	1,338,188	31,168	38,002	1,172,302	25,717	52,985
$40,000 under $45,000	1,958,865	3,524,850	83,213,519	1,211,151	1,990,359	31,283	43,622	1,325,934	27,516	67,286
$45,000 under $50,000	1,773,088	3,140,204	84,225,145	1,282,532	2,523,629	40,698	50,757	1,937,067	31,471	101,561
$50,000 under $55,000	1,732,685	3,209,418	90,942,549	1,347,440	3,193,259	40,196	49,104	2,102,996	37,915	140,591
$55,000 under $60,000	1,556,072	2,790,295	89,386,370	1,329,465	3,736,070	18,927	22,955	1,086,615	17,006	65,225
$60,000 under $75,000	4,153,365	7,558,083	279,744,082	3,816,224	14,366,912	59,532	77,624	3,999,984	59,507	331,239
$75,000 under $100,000	5,176,877	9,602,169	448,345,210	5,043,109	30,888,892	93,331	114,119	8,121,129	91,875	760,803
$100,000 under $200,000	6,048,805	11,361,349	804,631,504	6,014,135	93,873,352	98,583	122,249	13,140,046	98,509	1,797,215
$200,000 under $500,000	1,603,867	3,120,378	458,203,975	1,601,111	90,916,311	20,398	26,312	5,803,412	20,360	1,180,681
$500,000 under $1,000,000	299,905	624,687	202,341,301	299,376	49,448,790	4,016	5,212	2,722,586	4,006	684,123
$1,000,000 under $1,500,000	71,949	153,726	86,813,850	71,810	22,181,282	838	1,220	999,887	837	236,568
$1,500,000 under $2,000,000	29,684	63,430	50,984,258	29,627	13,022,420	352	476	605,666	351	164,845
$2,000,000 under $5,000,000	44,484	95,254	132,878,551	44,402	33,535,681	369	558	1,120,888	369	291,220
$5,000,000 under $10,000,000	11,356	24,978	77,656,993	11,344	18,593,579	87	136	595,586	87	137,095
$10,000,000 or more	7,141	15,977	195,790,519	7,129	40,480,042	60	91	1,471,499	60	343,249
Taxable returns, total	**24,578,437**	**41,523,939**	**3,037,429,071**	**24,578,437**	**421,275,534**	**492,042**	**601,011**	**47,057,810**	**492,042**	**6,423,431**
Nontaxable returns, total	**21,918,804**	**40,753,211**	**459,264,714**	--	--	**146,844**	**213,517**	**2,630,014**	--	--

Footnotes at end of table.

Table 2.3--All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Exemptions for dependents--continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
All returns, total	**2,698,088**	**3,193,632**	**151,674,280**	**1,705,172**	**14,056,542**	**5,114,905**	**7,200,662**	**161,744,575**	**1,646,384**	**7,905,116**
Under $5,000	74,653	97,491	-1,003,447	* 4	* 222	277,849	375,284	-41,492	528	1,274
$5,000 under $10,000	97,278	112,758	764,817	--	--	460,150	594,759	3,545,736	--	--
$10,000 under $15,000	143,201	164,395	1,804,026	16,321	1,813	689,514	946,896	8,645,549	23,006	2,592
$15,000 under $20,000	242,583	286,138	4,255,851	78,452	27,639	677,354	932,757	11,855,571	63,423	25,830
$20,000 under $25,000	267,037	316,746	6,022,485	124,797	78,878	615,271	890,466	13,891,601	95,114	64,556
$25,000 under $30,000	228,074	269,580	6,237,434	112,077	119,511	539,072	835,737	14,813,915	139,730	134,257
$30,000 under $35,000	207,264	245,236	6,746,064	127,695	172,493	397,437	618,460	12,888,928	170,705	225,029
$35,000 under $40,000	181,782	207,854	6,809,377	115,179	213,697	287,663	432,851	10,787,163	171,124	276,243
$40,000 under $45,000	141,145	164,474	5,979,279	107,578	249,319	220,243	307,562	9,378,781	152,465	331,019
$45,000 under $50,000	135,128	155,230	6,419,007	104,870	307,843	177,502	248,524	8,432,045	135,425	314,966
$50,000 under $55,000	132,743	158,198	6,970,803	106,715	335,537	143,853	195,076	7,540,252	112,502	342,591
$55,000 under $60,000	92,539	108,724	5,340,367	83,504	312,480	103,977	149,223	5,982,757	86,849	307,695
$60,000 under $75,000	215,693	261,919	14,430,776	195,455	876,558	219,295	276,854	14,687,163	200,330	924,768
$75,000 under $100,000	219,231	253,763	18,800,475	214,286	1,452,230	154,929	195,901	13,386,447	145,778	1,035,876
$100,000 under $200,000	252,675	310,675	33,554,380	251,314	3,937,257	126,233	170,199	16,632,890	124,900	2,007,643
$200,000 under $500,000	57,598	69,113	15,937,224	57,478	3,030,307	21,660	26,383	5,801,435	21,619	1,083,502
$500,000 under $1,000,000	6,877	8,272	4,536,647	6,868	1,100,124	2,015	2,632	1,345,814	2,007	304,098
$1,000,000 under $1,500,000	1,101	1,334	1,302,286	1,098	301,832	417	522	505,585	414	130,584
$1,500,000 under $2,000,000	549	647	947,054	545	244,939	169	185	286,872	168	67,318
$2,000,000 under $5,000,000	707	823	2,123,956	705	515,955	234	305	690,642	232	160,705
$5,000,000 under $10,000,000	130	149	903,145	129	197,014	52	62	346,296	51	84,799
$10,000,000 or more	102	116	2,792,276	102	580,893	18	25	340,627	18	79,772
Taxable returns, total	**1,705,172**	**1,973,958**	**129,188,032**	**1,705,172**	**14,056,542**	**1,646,384**	**2,049,098**	**95,106,456**	**1,646,384**	**7,905,116**
Nontaxable returns, total	**992,916**	**1,219,674**	**22,486,248**	**--**	**--**	**3,468,521**	**5,151,565**	**66,638,119**	**--**	**--**

Size of adjusted gross income	Exemptions for dependents--continued				
	Exemptions for individuals displaced by Hurricane Katrina				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)
All returns, total	**29,742**	**52,401**	**2,217,747**	**14,870**	**270,753**
Under $5,000	* 2,114	* 4,432	* -3,519	--	--
$5,000 under $10,000	* 1,000	* 1,000	* 6,188	--	--
$10,000 under $15,000	* 1,295	* 1,969	* 17,284	--	--
$15,000 under $20,000	* 2,570	* 4,585	* 45,542	--	--
$20,000 under $25,000	* 2,015	* 4,029	* 47,717	--	--
$25,000 under $30,000	* 2,008	* 3,008	* 53,414	--	--
$30,000 under $35,000	* 2,007	* 7,021	* 65,915	* 1,007	* 666
$35,000 under $40,000	--	--	--	--	--
$40,000 under $45,000	* 1,556	* 1,556	* 63,520	* 625	* 1,387
$45,000 under $50,000	--	--	--	--	--
$50,000 under $55,000	* 1,148	* 1,148	* 60,750	* 1,148	* 3,884
$55,000 under $60,000	* 625	* 625	* 37,332	--	--
$60,000 under $75,000	* 2,628	* 4,889	* 164,470	* 1,630	* 9,700
$75,000 under $100,000	* 3,678	* 5,671	* 323,128	* 3,677	* 29,072
$100,000 under $200,000	* 5,710	* 10,155	* 722,316	* 5,411	* 104,462
$200,000 under $500,000	* 1,173	* 1,754	* 309,310	* 1,161	* 49,715
$500,000 under $1,000,000	* 175	* 474	* 149,671	* 173	* 36,311
$1,000,000 under $1,500,000	* 9	* 21	* 10,158	* 8	* 1,432
$1,500,000 under $2,000,000	* 6	* 12	* 10,122	* 6	* 2,688
$2,000,000 under $5,000,000	* 17	* 37	* 51,058	* 17	* 12,997
$5,000,000 under $10,000,000	* 3	* 11	* 23,104	* 3	* 3,148
$10,000,000 or more	* 3	* 3	* 60,269	* 3	* 15,293
Taxable returns, total	**14,870**	**25,182**	**1,844,445**	**14,870**	**270,753**
Nontaxable returns, total	**14,872**	**27,219**	**373,301**	**--**	**--**

* Estimate should be used with caution because of the small number of returns on which it is based

NOTE: Detail may not add to totals because of rounding

Table 2.4--All Returns: Exemptions by Type and Number of Exemptions, by Marital Status

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Mantal status	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents				
				Total			Total income tax	
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	**138,394,754**	**275,256,944**	**181,770,971**	**51,367,931**	**93,485,972**	**3,688,689,632**	**27,087,423**	**437,839,973**
Joint returns of mamed persons	53,294,930	162,953,029	106,586,845	28,310,350	56,366,184	2,982,628,368	19,695,804	393,353,289
Separate returns of mamed								
persons, total:	2,524,941	3,424,065	2,556,922	572,782	867,143	36,571,846	406,396	5,050,869
Spouse filing	2,488,049	3,335,040	2,484,139	561,464	850,901	36,009,818	397,500	4,989,297
Spouse not filing	36,892	89,024	72,783	11,318	16,241	562,028	8,896	61,572
Returns of heads of household	20,669,369	52,960,974	20,669,369	19,804,850	32,291,606	592,476,436	6,089,801	32,668,083
Returns of surviving spouses	74,771	192,979	74,771	74,771	118,208	3,462,218	32,077	336,150
Returns of single persons	61,830,743	55,725,896	51,883,064	2,605,177	3,842,832	73,550,765	863,345	6,431,582

Mantal status	Exemptions for dependents--continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns, total	**46,497,241**	**82,277,150**	**3,496,693,785**	**24,578,437**	**421,275,534**	**638,886**	**814,528**	**49,687,824**	**492,042**	**6,423,431**
Joint returns of mamed persons	27,454,327	53,376,758	2,914,698,187	19,063,997	385,551,328	242,755	310,285	27,852,472	189,359	3,791,091
Separate returns of mamed										
persons, total:	508,634	757,511	33,422,960	354,714	4,677,554	27,073	35,356	1,566,098	22,600	213,919
Spouse filing	499,472	743,437	32,988,062	347,974	4,634,800	25,056	33,327	1,485,581	20,582	208,319
Spouse not filing	9,162	14,074	434,898	6,740	42,754	* 2,017	* 2,029	* 80,517	* 2,017	* 5,601
Returns of heads of household	16,893,683	25,823,924	507,734,701	4,823,889	27,784,560	83,351	102,087	4,082,273	50,594	393,140
Returns of surviving spouses	73,763	115,871	3,438,562	32,076	336,146	* 42	* 42	* 30,753	* 42	* 7,691
Returns of single persons	1,566,834	2,203,086	37,399,374	303,761	2,925,946	285,664	366,758	16,156,229	229,447	2,017,590

Footnotes at end of the table.

Table 2.4--All Returns: Exemptions by Type and Number of Exemptions, by Marital Status--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Marital status	Exemptions for dependents--continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
All returns, total	**2,698,088**	**3,193,632**	**151,674,279**	**1,705,172**	**14,056,542**	**5,114,905**	**7,200,662**	**161,744,575**	**1,646,384**	**7,905,116**
Joint returns of married persons	1,036,344	1,260,192	90,629,206	713,947	9,569,794	986,700	1,418,949	56,310,780	480,155	3,865,686
Separate returns of married persons, total:	27,039	30,492	1,676,419	23,313	243,833	30,814	43,783	1,300,749	23,506	81,305
Spouse filing	26,900	30,354	1,629,806	23,174	230,616	30,814	43,783	1,300,749	23,506	81,305
Spouse not filing	* 139	* 139	* 46,612	* 139	* 13,218	–	–	–	–	–
Returns of heads of household	** 1,436,119	** 1,658,832	** 53,021,322	** 867,492	** 3,675,719	3,378,126	4,706,764	86,818,536	888,186	2,897,676
Returns of surviving spouses	**	**	**	**	**	* 2,294	* 2,294	* 57,258	–	–
Returns of single persons	198,586	244,115	6,347,333	100,419	567,195	716,970	1,028,873	17,257,253	254,538	1,060,449

Marital status	Exemptions for dependents--continued				
	Exemptions for individuals displaced by Hurricane Katrina				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)
All returns, total	**29,742**	**52,401**	**2,217,746**	**14,870**	**270,753**
Joint returns of married persons	14,483	23,988	1,630,985	10,942	218,176
Separate returns of married persons, total:	–	–	–	–	–
Spouse filing	–	–	–	–	–
Spouse not filing	–	–	–	–	–
Returns of heads of household	* 8,326	* 15,020	* 180,717	* 1,632	* 2,053
Returns of surviving spouses	–	–	–	–	–
Returns of single persons	6,933	13,393	406,044	* 2,296	* 50,524

* Estimate should be used with caution because of the small number of returns on which it is based.

** Data combined to avoid disclosure of specific taxpayer information.

NOTE: Detail may not add to totals because of rounding.

Table 2.5--Returns with Earned Income Credit, by Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	All returns with earned income credit									
	Number of returns	Adjusted gross income less deficit	EIC salaries and wages		EIC self-employment income		EIC earned income [1]		Total earned income credit	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	**23,042,200**	**353,190,414**	**20,527,260**	**317,181,701**	**5,223,745**	**33,463,920**	**23,041,220**	**350,736,618**	**23,042,200**	**44,387,566**
No adjusted gross income	199,970	-4,938,495	118,043	900,953	126,060	467,534	199,970	1,368,487	199,970	186,363
$1 under $1,000	355,787	190,176	241,157	316,403	132,038	89,207	355,787	405,610	355,787	72,721
$1,000 under $2,000	451,309	690,168	376,764	686,182	97,835	166,544	451,309	872,201	451,309	158,643
$2,000 under $3,000	613,914	1,543,860	531,232	1,447,112	126,192	289,364	613,914	1,758,930	613,914	338,138
$3,000 under $4,000	744,824	2,610,072	622,999	2,189,918	172,182	500,361	744,824	2,722,384	744,824	546,272
$4,000 under $5,000	770,799	3,465,866	641,459	2,863,099	200,558	700,494	770,799	3,563,593	770,799	701,634
$5,000 under $6,000	822,253	4,522,978	704,042	3,809,329	191,236	713,636	822,253	4,522,965	822,253	922,165
$6,000 under $7,000	879,401	5,707,652	737,008	4,615,366	224,029	1,114,564	879,401	5,729,929	879,401	1,148,015
$7,000 under $8,000	976,971	7,361,946	810,378	5,652,900	283,311	1,622,229	976,971	7,275,129	976,971	1,659,472
$8,000 under $9,000	1,100,259	9,311,663	880,488	6,646,543	398,212	2,426,391	1,100,259	9,072,934	1,100,259	2,053,375
$9,000 under $10,000	948,893	9,010,064	797,132	7,094,113	257,300	1,611,736	948,893	8,705,849	948,893	1,865,211
$10,000 under $11,000	997,595	10,474,271	880,789	8,513,416	244,325	1,568,257	997,595	10,081,672	997,595	2,131,094
$11,000 under $12,000	1,207,044	13,858,978	976,443	9,935,247	415,709	3,452,706	1,207,044	13,387,953	1,207,044	3,159,608
$12,000 under $13,000	775,409	9,664,354	661,848	7,418,446	236,002	1,950,962	774,429	9,375,011	775,409	2,509,548
$13,000 under $14,000	711,299	9,589,239	613,209	7,771,710	191,993	1,544,314	711,299	9,316,024	711,299	2,448,490
$14,000 under $15,000	692,482	10,023,624	611,642	8,414,815	163,582	1,309,387	692,482	9,724,202	692,482	2,492,245
$15,000 under $16,000	611,161	9,474,348	550,787	8,096,493	140,376	1,197,956	611,161	9,294,449	611,161	2,116,416
$16,000 under $17,000	698,220	11,518,646	641,544	10,135,023	137,705	1,068,982	698,220	11,204,005	698,220	2,369,458
$17,000 under $18,000	668,939	11,705,099	624,181	10,292,165	130,561	1,088,401	668,939	11,380,566	668,939	2,109,104
$18,000 under $19,000	631,668	11,674,944	590,463	10,632,515	99,799	797,117	631,668	11,429,632	631,668	1,899,580
$19,000 under $20,000	600,577	11,700,347	566,584	10,559,777	98,400	748,566	600,577	11,308,343	600,577	1,646,759
$20,000 under $25,000	3,047,784	68,587,796	2,935,200	63,589,987	422,164	3,220,155	3,047,784	66,821,502	3,047,784	6,927,664
$25,000 under $30,000	2,541,697	69,655,827	2,457,756	64,616,686	384,722	3,242,947	2,541,697	67,859,634	2,541,697	3,614,755
$30,000 and over	1,993,945	65,786,992	1,956,112	60,983,502	349,455	2,572,111	1,993,945	63,555,613	1,993,945	1,310,836

Size of adjusted gross income	All returns with earned income credit--continued									
	EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion		Nontaxable combat pay	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Total	**2,960,172**	**797,162**	**1,191,208**	**488,131**	**4,874,407**	**4,518,182**	**20,268,821**	**39,072,222**	*** 8,323**	*** 90,997**
No adjusted gross income	* 9	* 3	* 9	* 54	99,751	59,979	137,223	126,381	--	--
$1 under $1,000	--	--	--	--	67,307	15,746	305,848	56,975	--	--
$1,000 under $2,000	--	--	--	--	91,084	21,213	385,960	137,430	* 2,022	* 19,475
$2,000 under $3,000	--	--	--	--	123,346	31,105	532,013	307,033	* 1,650	* 22,454
$3,000 under $4,000	--	--	--	--	161,486	52,044	631,727	494,228	* 2,007	* 32,105
$4,000 under $5,000	* 637	* 90	--	--	189,270	75,069	656,866	626,476	--	--
$5,000 under $6,000	--	--	--	--	182,676	82,950	712,948	839,214	--	--
$6,000 under $7,000	--	--	--	--	217,739	112,270	759,973	1,035,745	--	--
$7,000 under $8,000	* 1,000	* 4	--	--	281,687	202,367	887,591	1,457,101	--	--
$8,000 under $9,000	169,454	4,604	* 650	* 6	388,311	326,455	1,021,257	1,722,316	--	--
$9,000 under $10,000	277,049	27,750	10,897	475	259,469	203,397	858,914	1,634,064	--	--
$10,000 under $11,000	287,479	34,216	258,245	23,538	195,049	205,071	711,859	1,891,807	--	--
$11,000 under $12,000	280,950	12,572	271,061	67,279	369,767	488,250	910,610	2,658,786	--	--
$12,000 under $13,000	37,339	1,199	28,378	8,744	238,482	289,317	725,642	2,219,032	* 1,645	* 5,603
$13,000 under $14,000	9,968	2,284	--	--	175,840	253,252	698,805	2,192,953	--	--
$14,000 under $15,000	26,511	4,193	* 1,007	* 104	158,041	236,321	684,437	2,251,731	--	--
$15,000 under $16,000	39,865	9,195	* 300	* 4	138,480	206,856	605,815	1,900,365	--	--
$16,000 under $17,000	36,015	10,654	--	--	126,494	187,393	686,564	2,171,411	--	--
$17,000 under $18,000	36,922	10,542	--	--	128,122	185,585	656,536	1,912,977	--	--
$18,000 under $19,000	49,691	18,405	--	--	96,207	136,049	611,573	1,745,125	--	--
$19,000 under $20,000	50,448	27,341	* 637	* 42	96,001	136,850	586,707	1,482,568	--	--
$20,000 under $25,000	398,815	202,245	* 3,608	* 729	426,698	506,835	2,922,994	6,218,585	* 1,000	* 11,361
$25,000 under $30,000	727,259	316,809	264,672	130,363	349,837	338,544	2,117,333	2,959,402	--	--
$30,000 and over	530,760	115,055	351,743	256,794	313,265	165,263	1,459,628	1,030,518	--	--

Footnotes at end of table.

Table 2.5--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns with no qualifying children									
	Number of returns	Adjusted gross income less deficit	EIC salaries and wages		EIC self-employment income		EIC earned income [1]		Total earned income credit	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Total	**4,810,692**	**28,022,255**	**3,874,076**	**24,856,975**	**1,413,454**	**4,829,412**	**4,809,712**	**29,686,412**	**4,810,692**	**1,141,902**
No adjusted gross income	124,762	-2,310,917	64,890	321,641	81,604	166,099	124,762	487,740	124,762	25,220
$1 under $1,000	248,328	128,465	149,086	225,249	113,136	26,939	248,328	252,187	248,328	17,776
$1,000 under $2,000	270,085	408,117	208,786	365,860	74,892	129,906	270,085	495,766	270,085	36,093
$2,000 under $3,000	336,192	837,055	264,876	721,884	100,761	225,751	336,192	947,659	336,192	68,373
$3,000 under $4,000	410,292	1,435,390	312,764	1,103,311	131,700	363,446	410,292	1,466,757	410,292	105,910
$4,000 under $5,000	428,232	1,927,501	326,027	1,455,643	143,999	477,905	428,232	1,933,548	428,232	138,497
$5,000 under $6,000	437,742	2,409,651	344,411	1,885,869	133,794	485,502	437,742	2,371,372	437,742	167,272
$6,000 under $7,000	460,002	2,980,753	361,660	2,270,412	146,602	661,592	460,002	2,932,005	460,002	171,882
$7,000 under $8,000	408,054	3,059,307	346,145	2,402,998	106,164	510,218	408,054	2,913,215	408,054	136,137
$8,000 under $9,000	426,538	3,620,431	372,607	2,942,705	102,786	475,684	426,538	3,418,389	426,538	117,279
$9,000 under $10,000	370,499	3,511,211	317,871	2,829,831	87,420	470,801	370,499	3,300,633	370,499	75,652
$10,000 under $11,000	380,745	3,996,943	348,338	3,414,845	76,614	317,466	380,745	3,732,311	380,745	50,512
$11,000 under $12,000	374,275	4,300,943	343,441	3,670,636	68,443	305,974	374,275	3,976,610	374,275	22,831
$12,000 under $13,000	85,230	1,045,699	70,434	756,832	28,257	145,944	84,250	902,777	85,230	6,310
$13,000 under $14,000	46,185	622,152	39,838	455,177	15,376	57,510	46,185	512,688	46,185	2,136
$14,000 under $15,000	* 3,531	* 49,555	* 2,900	* 34,081	* 1,906	* 8,676	* 3,531	* 42,756	* 3,531	* 22
$15,000 under $16,000	--	--	--	--	--	--	--	--	--	--
$16,000 under $17,000	--	--	--	--	--	--	--	--	--	--
$17,000 under $18,000	--	--	--	--	--	--	--	--	--	--
$18,000 under $19,000	--	--	--	--	--	--	--	--	--	--
$19,000 under $20,000	--	--	--	--	--	--	--	--	--	--
$20,000 under $25,000	--	--	--	--	--	--	--	--	--	--
$25,000 under $30,000	--	--	--	--	--	--	--	--	--	--
$30,000 and over	--	--	--	--	--	--	--	--	--	--

Size of adjusted gross income	Returns with no qualifying children--continued									
	EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion		Nontaxable combat pay	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	**1,030,495**	**78,374**	**569,234**	**100,044**	**1,158,055**	**286,475**	**3,219,703**	**777,053**	*** 650**	*** 24**
No adjusted gross income	* 3	* [2]	* 3	* 2	60,557	13,861	68,502	11,359	--	--
$1 under $1,000	--	--	--	--	51,597	6,092	198,389	11,684	--	--
$1,000 under $2,000	--	--	--	--	69,625	10,555	205,684	25,538	--	--
$2,000 under $3,000	--	--	--	--	95,898	19,023	254,627	49,349	* 650	* 24
$3,000 under $4,000	--	--	--	--	121,207	30,637	297,829	75,273	--	--
$4,000 under $5,000	* 637	* 90	--	--	131,943	39,985	314,299	98,423	--	--
$5,000 under $6,000	--	--	--	--	124,738	44,224	329,073	123,047	--	--
$6,000 under $7,000	--	--	--	--	137,305	47,392	342,458	124,490	--	--
$7,000 under $8,000	* 1,000	* 4	--	--	103,574	31,183	320,707	104,950	--	--
$8,000 under $9,000	167,817	4,552	* 650	* 6	93,817	22,419	348,676	90,308	--	--
$9,000 under $10,000	274,132	27,423	10,897	475	85,629	11,306	282,573	36,923	--	--
$10,000 under $11,000	284,472	33,849	258,245	23,538	28,401	5,029	96,298	11,634	--	--
$11,000 under $12,000	274,056	12,309	271,061	67,279	24,069	2,498	82,058	8,024	--	--
$12,000 under $13,000	28,378	148	28,378	8,744	17,775	1,808	40,085	4,353	--	--
$13,000 under $14,000	--	--	--	--	10,015	450	36,820	1,686	--	--
$14,000 under $15,000	--	--	--	--	* 1,906	* 11	* 1,625	* 11	--	--
$15,000 under $16,000	--	--	--	--	--	--	--	--	--	--
$16,000 under $17,000	--	--	--	--	--	--	--	--	--	--
$17,000 under $18,000	--	--	--	--	--	--	--	--	--	--
$18,000 under $19,000	--	--	--	--	--	--	--	--	--	--
$19,000 under $20,000	--	--	--	--	--	--	--	--	--	--
$20,000 under $25,000	--	--	--	--	--	--	--	--	--	--
$25,000 under $30,000	--	--	--	--	--	--	--	--	--	--
$30,000 and over	--	--	--	--	--	--	--	--	--	--

Footnotes at end of table.

Table 2.5--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns with one qualifying child									
	Number of returns	Adjusted gross income less deficit	EIC salaries and wages		EIC self-employment income		EIC earned income [1]		Total earned income credit	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
Total	**8,746,522**	**143,033,648**	**8,037,576**	**130,798,157**	**1,606,598**	**10,025,342**	**8,746,522**	**140,868,784**	**8,746,522**	**16,077,700**
No adjusted gross income	36,191	-1,126,192	23,550	209,557	22,482	174,953	36,191	384,510	36,191	59,842
$1 under $1,000	61,346	34,636	54,315	62,739	8,957	14,311	61,346	77,050	61,346	25,722
$1,000 under $2,000	108,442	170,518	99,729	174,395	14,391	31,049	108,442	224,771	108,442	68,368
$2,000 under $3,000	168,197	427,540	158,337	435,157	18,084	39,019	168,197	474,176	168,197	149,963
$3,000 under $4,000	202,727	713,220	190,514	683,719	22,479	75,632	202,727	779,706	202,727	251,495
$4,000 under $5,000	214,927	963,067	201,374	897,936	28,573	116,000	214,927	1,013,936	214,927	327,423
$5,000 under $6,000	236,493	1,303,524	219,268	1,168,292	39,615	172,322	236,493	1,340,614	236,493	436,682
$6,000 under $7,000	238,496	1,549,195	204,099	1,244,332	51,419	321,151	238,496	1,565,484	238,496	510,465
$7,000 under $8,000	345,666	2,615,514	261,463	1,748,855	134,578	861,872	345,666	2,610,727	345,666	867,928
$8,000 under $9,000	464,169	3,909,985	329,816	2,333,324	229,054	1,561,853	464,169	3,895,177	464,169	1,249,968
$9,000 under $10,000	321,268	3,051,737	272,133	2,466,508	86,519	519,472	321,268	2,985,979	321,268	853,060
$10,000 under $11,000	310,914	3,258,972	270,628	2,628,805	74,861	526,431	310,914	3,155,236	310,914	833,403
$11,000 under $12,000	311,319	3,573,992	274,775	2,910,648	67,349	565,830	311,319	3,476,478	311,319	836,054
$12,000 under $13,000	307,131	3,836,654	276,089	3,263,621	63,449	518,275	307,131	3,787,498	307,131	823,284
$13,000 under $14,000	296,264	3,988,629	270,047	3,578,571	58,411	318,920	296,264	3,897,491	296,264	799,074
$14,000 under $15,000	319,033	4,613,581	289,401	4,072,398	55,518	399,660	319,033	4,472,058	319,033	851,648
$15,000 under $16,000	304,756	4,719,700	281,296	4,237,973	52,872	391,424	304,756	4,629,398	304,756	790,438
$16,000 under $17,000	334,247	5,506,200	311,848	4,982,097	58,531	355,510	334,247	5,337,606	334,247	832,810
$17,000 under $18,000	338,016	5,919,681	324,594	5,477,665	48,722	254,866	338,016	5,732,531	338,016	785,824
$18,000 under $19,000	315,682	5,835,370	297,751	5,385,179	41,362	289,010	315,682	5,674,189	315,682	687,114
$19,000 under $20,000	323,566	6,303,831	315,003	5,870,911	43,230	185,018	323,566	6,055,929	323,566	655,303
$20,000 under $25,000	1,504,305	33,805,364	1,459,612	31,765,858	168,750	1,024,057	1,504,305	32,789,914	1,504,305	2,333,446
$25,000 under $30,000	1,193,841	32,708,186	1,169,153	30,750,331	144,549	991,789	1,193,841	31,742,120	1,193,841	936,609
$30,000 and over	489,525	15,350,743	482,779	14,449,286	72,842	316,920	489,525	14,766,206	489,525	111,779

Size of adjusted gross income	Returns with one qualifying child--continued									
	EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion		Nontaxable combat pay	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Total	**1,594,629**	**586,448**	**544,708**	**348,641**	**1,527,960**	**1,496,790**	**7,971,103**	**13,994,462**	*** 3,652**	*** 45,285**
No adjusted gross income	--	--	--	--	20,582	22,252	32,228	37,590	--	--
$1 under $1,000	--	--	--	--	6,065	2,147	61,346	23,575	--	--
$1,000 under $2,000	--	--	--	--	13,538	7,618	107,495	60,750	* 1,007	* 19,327
$2,000 under $3,000	--	--	--	--	18,443	8,799	168,197	141,164	--	--
$3,000 under $4,000	--	--	--	--	23,551	11,659	202,093	239,837	* 1,000	* 20,355
$4,000 under $5,000	--	--	--	--	28,604	17,746	214,927	309,677	--	--
$5,000 under $6,000	--	--	--	--	39,336	26,568	235,855	410,114	--	--
$6,000 under $7,000	--	--	--	--	52,509	45,937	237,265	464,527	--	--
$7,000 under $8,000	--	--	--	--	137,124	133,183	344,659	734,745	--	--
$8,000 under $9,000	* 1,000	* 24	--	--	230,936	239,951	463,238	1,009,994	--	--
$9,000 under $10,000	* 637	* 85	--	--	89,347	95,964	319,216	757,011	--	--
$10,000 under $11,000	* 2,000	* 362	--	--	72,912	86,613	310,277	746,427	--	--
$11,000 under $12,000	* 3,289	* 126	--	--	67,063	86,983	308,370	748,945	--	--
$12,000 under $13,000	* 5,301	* 558	--	--	69,639	83,437	303,378	739,289	* 1,645	* 5,603
$13,000 under $14,000	* 6,946	* 1,460	--	--	50,042	66,367	293,736	731,246	--	--
$14,000 under $15,000	23,210	2,798	* 1,007	* 104	51,805	76,034	312,933	772,816	--	--
$15,000 under $16,000	37,200	8,862	* 300	* 4	51,942	69,456	301,925	712,120	--	--
$16,000 under $17,000	35,007	10,524	--	--	52,688	67,126	323,342	755,160	--	--
$17,000 under $18,000	31,624	10,350	--	--	47,511	49,671	327,013	725,803	--	--
$18,000 under $19,000	42,718	16,738	--	--	41,216	46,754	299,106	623,621	--	--
$19,000 under $20,000	42,747	25,055	* 637	* 42	40,767	37,110	312,918	593,138	--	--
$20,000 under $25,000	365,791	182,968	* 3,608	* 729	173,243	144,179	1,434,133	2,006,298	--	--
$25,000 under $30,000	643,182	272,592	263,665	130,349	116,031	62,023	866,188	601,993	--	--
$30,000 and over	353,977	53,944	275,491	217,412	33,067	9,213	191,266	48,622	--	--

Footnotes at end of table.

Table 2.5--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Returns with two or more qualifying children									
	Number of returns	Adjusted gross income less deficit	EIC salaries and wages		EIC self-employment income		EIC earned income [1]		Total earned income credit	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
Total	**9,484,987**	**182,134,511**	**8,615,608**	**161,526,569**	**2,203,693**	**18,609,165**	**9,484,987**	**180,181,423**	**9,484,987**	**27,167,964**
No adjusted gross income	39,017	-1,501,386	29,602	369,755	21,974	126,482	39,017	496,238	39,017	101,301
$1 under $1,000	46,113	27,075	37,755	28,415	9,945	47,958	46,113	76,373	46,113	29,223
$1,000 under $2,000	72,782	111,533	68,249	145,927	8,552	5,590	72,782	151,665	72,782	54,182
$2,000 under $3,000	109,526	279,266	108,019	290,071	7,348	24,594	109,526	337,095	109,526	119,803
$3,000 under $4,000	131,805	461,462	119,721	402,887	18,003	61,284	131,805	475,921	131,805	188,866
$4,000 under $5,000	127,640	575,298	114,058	509,520	27,986	106,590	127,640	616,110	127,640	235,714
$5,000 under $6,000	148,019	809,803	140,362	755,168	17,827	55,812	148,019	810,980	148,019	318,211
$6,000 under $7,000	180,903	1,177,704	171,249	1,100,621	26,008	131,820	180,903	1,232,441	180,903	465,669
$7,000 under $8,000	223,251	1,687,125	202,771	1,501,047	42,569	250,140	223,251	1,751,187	223,251	655,407
$8,000 under $9,000	209,551	1,781,247	178,065	1,370,515	66,371	388,854	209,551	1,759,369	209,551	686,128
$9,000 under $10,000	257,126	2,447,116	207,127	1,797,775	83,361	621,463	257,126	2,419,237	257,126	936,499
$10,000 under $11,000	305,936	3,218,356	261,824	2,469,765	92,850	724,360	305,936	3,194,125	305,936	1,247,179
$11,000 under $12,000	521,450	5,984,043	358,227	3,353,963	279,917	2,580,901	521,450	5,934,865	521,450	2,300,722
$12,000 under $13,000	383,048	4,782,000	315,325	3,397,993	144,296	1,286,742	383,048	4,684,736	383,048	1,679,954
$13,000 under $14,000	368,850	4,978,459	303,324	3,737,961	118,206	1,167,883	368,850	4,905,845	368,850	1,647,280
$14,000 under $15,000	369,918	5,360,487	319,341	4,308,336	106,158	901,051	369,918	5,209,387	369,918	1,640,575
$15,000 under $16,000	306,405	4,754,648	269,491	3,858,520	87,503	806,532	306,405	4,665,051	306,405	1,325,978
$16,000 under $17,000	363,973	6,012,446	329,695	5,152,926	79,174	713,473	363,973	5,866,399	363,973	1,536,648
$17,000 under $18,000	330,923	5,785,418	299,587	4,814,500	81,840	833,535	330,923	5,648,035	330,923	1,323,281
$18,000 under $19,000	315,986	5,839,574	292,711	5,247,337	58,438	508,106	315,986	5,755,443	315,986	1,212,466
$19,000 under $20,000	277,011	5,396,516	251,582	4,688,867	55,170	563,548	277,011	5,252,414	277,011	991,456
$20,000 under $25,000	1,543,479	34,782,431	1,475,587	31,824,129	253,414	2,196,098	1,543,479	34,031,588	1,543,479	4,594,218
$25,000 under $30,000	1,347,856	36,947,642	1,288,603	33,866,355	240,173	2,251,159	1,347,856	36,117,514	1,347,856	2,678,147
$30,000 and over	1,504,420	50,436,249	1,473,333	46,534,216	276,613	2,255,191	1,504,420	48,789,407	1,504,420	1,199,057

Size of adjusted gross income	Returns with two or more qualifying children--continued									
	EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion		Nontaxable combat pay	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)
Total	**335,047**	**132,341**	**77,266**	**39,447**	**2,188,392**	**2,734,917**	**9,078,015**	**24,300,707**	*** 4,022**	*** 45,688**
No adjusted gross income	* 7	* 3	* 7	* 52	18,612	23,866	36,492	77,432	--	--
$1 under $1,000	--	--	--	--	9,645	7,507	46,113	21,716	--	--
$1,000 under $2,000	--	--	--	--	7,921	3,041	72,782	51,142	* 1,015	* 148
$2,000 under $3,000	--	--	--	--	9,005	3,283	109,189	116,520	* 1,000	* 22,430
$3,000 under $4,000	--	--	--	--	16,729	9,748	131,805	179,118	* 1,007	* 11,750
$4,000 under $5,000	--	--	--	--	28,723	17,338	127,640	218,376	--	--
$5,000 under $6,000	--	--	--	--	18,602	12,158	148,019	306,053	--	--
$6,000 under $7,000	--	--	--	--	27,924	18,940	180,251	446,728	--	--
$7,000 under $8,000	--	--	--	--	40,989	38,001	222,225	617,406	--	--
$8,000 under $9,000	* 637	* 28	--	--	63,558	64,086	209,342	622,014	--	--
$9,000 under $10,000	* 2,279	* 241	--	--	84,493	96,127	257,126	840,130	--	--
$10,000 under $11,000	* 1,007	* 6	--	--	93,735	113,428	305,283	1,133,745	--	--
$11,000 under $12,000	* 3,605	* 137	--	--	278,635	398,769	520,181	1,901,816	--	--
$12,000 under $13,000	* 3,659	* 493	--	--	151,068	204,072	382,179	1,475,390	--	--
$13,000 under $14,000	* 3,022	* 824	--	--	115,783	186,435	368,249	1,460,020	--	--
$14,000 under $15,000	* 3,302	* 1,395	--	--	104,330	160,276	369,879	1,478,904	--	--
$15,000 under $16,000	* 2,664	* 333	--	--	86,538	137,400	303,890	1,188,245	--	--
$16,000 under $17,000	* 1,007	* 130	--	--	73,806	120,267	363,222	1,416,251	--	--
$17,000 under $18,000	* 5,298	* 193	--	--	80,611	135,914	329,523	1,187,174	--	--
$18,000 under $19,000	* 6,973	* 1,667	--	--	54,992	89,295	312,467	1,121,504	--	--
$19,000 under $20,000	* 7,701	* 2,286	--	--	55,234	99,740	273,790	889,429	--	--
$20,000 under $25,000	33,024	19,277	--	--	253,455	362,655	1,488,861	4,212,287	* 1,000	* 11,361
$25,000 under $30,000	84,077	44,217	* 1,007	* 13	233,806	276,521	1,251,145	2,357,409	--	--
$30,000 and over	176,783	61,111	76,252	39,382	280,198	156,050	1,268,362	981,896	--	--

* Estimate should be used with caution because of the small number of returns on which it is based.

[1] For prior year returns, EIC earned income includes nontaxable earned income.

[2] Less than $500.

NOTE: Detail may not add to totals because of rounding.

Table 2.6--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Age

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Age [1]	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest		Tax-exempt interest		Ordinary dividends		Qualified dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	**49,123,555**	**5,703,411,397**	**42,242,629**	**3,606,296,025**	**34,125,046**	**159,584,048**	**4,222,541**	**62,680,581**	**18,716,079**	**164,852,577**	**16,016,413**	**116,974,712**
Under 18	41,981	2,961,856	6,635	177,681	32,132	192,226	10,654	132,875	34,175	354,781	30,474	250,159
18 under 35	7,640,198	569,734,588	7,418,676	500,506,918	3,831,120	4,961,424	176,769	1,105,381	1,474,325	4,150,868	1,246,572	2,729,251
35 under 45	11,934,090	1,327,481,011	11,422,287	1,042,067,831	7,435,715	19,706,109	473,449	3,543,150	3,556,546	15,121,699	2,992,601	10,149,765
45 under 55	13,217,023	1,696,073,197	12,526,429	1,210,807,018	9,361,728	32,744,951	881,110	10,569,116	4,880,392	32,187,741	4,101,523	21,900,119
55 under 65	9,504,981	1,270,827,219	8,236,208	711,375,195	7,401,751	40,298,406	1,026,054	14,919,830	4,380,181	39,957,282	3,755,532	27,673,584
65 and over	6,785,281	836,333,526	2,632,395	141,361,382	6,062,600	61,680,931	1,654,505	32,410,228	4,390,460	73,080,206	3,889,710	54,271,833

Age [1]	State income tax refunds		Alimony received		Business or profession net income less loss		Sales of capital assets, net gain less loss		Sales of property other than capital assets, net gain less loss		Taxable IRA distributions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	**20,973,322**	**22,831,386**	**241,090**	**6,314,045**	**10,411,923**	**204,959,216**	**16,107,612**	**692,366,058**	**1,162,514**	**4,612,509**	**4,829,457**	**80,887,147**
Under 18	8,299	8,921	–	–	* 1,933	* 3,626	30,844	1,586,778	1,308	1,305	**	**
18 under 35	3,013,321	2,358,544	* 2,560	* 95,816	1,328,202	14,493,653	1,335,113	23,774,629	89,377	471,866	** 147,375	** 959,686
35 under 45	5,660,821	5,761,168	37,153	959,164	2,737,891	44,525,026	3,111,557	97,722,994	243,453	864,492	396,787	4,551,926
45 under 55	6,355,033	7,025,721	101,012	2,380,600	3,065,126	73,230,281	4,122,200	171,812,035	328,734	1,090,445	560,283	7,710,814
55 under 65	4,182,819	4,976,670	79,584	2,177,386	2,247,207	53,111,983	3,729,681	187,821,918	267,190	1,317,070	905,793	19,585,303
65 and over	1,753,029	2,700,363	20,781	701,079	1,031,564	19,594,645	3,778,217	209,647,703	232,451	867,332	2,819,218	48,079,419

Age [1]	Taxable pensions and annuities		Rent and royalty net income		Rent and royalty net loss		Farm rental net income less loss		Partnership and S Corporation net income less loss		Estate and trust net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns, total	**11,029,556**	**251,431,238**	**3,478,166**	**61,212,112**	**3,608,366**	**42,566,634**	**284,440**	**1,583,611**	**5,599,312**	**431,469,010**	**416,705**	**15,704,443**
Under 18	* 1,666	* 22,158	3,437	44,083	**	**	–	–	10,203	449,849	3,638	98,791
18 under 35	449,083	3,097,254	149,083	1,223,385	** 345,834	** 4,043,208	2,313	818	467,051	18,614,873	32,487	1,275,866
35 under 45	951,067	9,372,809	464,187	4,822,149	772,000	9,248,201	17,550	13,194	1,327,945	97,837,938	33,940	1,482,207
45 under 55	1,519,666	23,242,985	884,830	12,579,900	1,065,905	12,674,566	51,254	150,356	1,623,081	147,014,346	84,022	2,712,389
55 under 65	3,353,605	89,876,890	949,344	17,622,919	862,088	10,406,291	72,742	203,961	1,279,935	110,170,025	98,133	3,522,596
65 and over	4,754,469	125,819,143	1,027,286	24,919,676	562,539	6,194,369	140,580	1,215,282	891,097	57,381,979	164,486	6,612,594

Footnotes at end of table

Table 2.6--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Age--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Age [1]	Farm net income less loss		Unemployment compensation		Taxable social security benefits		Foreign-earned income exclusion		Other income less loss		Total statutory adjustments	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	**756,895**	**-7,515,850**	**2,604,896**	**11,009,458**	**6,994,732**	**86,089,204**	**74,275**	**4,743,225**	**3,407,006**	**24,886,393**	**16,945,059**	**83,337,280**
Under 18	--	--	--	--	3,382	27,915	--	--	1,801	5,254	3,545	11,038
18 under 35	58,168	-362,722	457,971	1,675,072	12,878	88,924	10,586	621,868	359,883	1,997,183	2,999,107	6,010,394
35 under 45	132,092	-1,237,810	743,869	3,236,925	90,114	833,540	22,353	1,459,811	707,625	4,896,959	4,153,386	16,985,491
45 under 55	219,624	-1,997,387	793,269	3,342,229	292,159	2,779,134	24,815	1,610,167	928,338	6,253,542	5,046,361	29,224,042
55 under 65	185,035	-2,204,022	509,811	2,382,072	1,291,751	12,213,310	14,007	918,747	789,728	6,357,008	3,443,327	23,248,190
65 and over	161,976	-1,713,909	99,976	373,160	5,304,449	70,146,381	2,514	132,632	619,631	5,376,448	1,299,333	7,858,124

Age [1]	Total itemized deductions								
	Total in taxable income	Itemized deductions limitation		Medical and dental expenses deduction		Medical and dental expenses		Medical and dental expenses limitation	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)
All returns, total	**1,229,237,288**	**6,789,435**	**35,152,244**	**10,208,792**	**70,704,272**	**10,208,792**	**110,362,922**	**10,207,311**	**39,659,600**
Under 18	572,514	3,338	19,246	3,426	170,987	3,426	186,035	3,426	15,047
18 under 35	143,883,827	444,225	1,418,993	832,085	2,940,563	832,085	5,697,508	832,086	2,757,895
35 under 45	295,652,384	1,611,472	6,849,338	1,351,670	5,464,019	1,351,670	10,780,701	1,351,670	5,316,682
45 under 55	340,806,837	2,226,305	10,897,594	1,826,623	8,539,431	1,826,623	16,037,998	1,826,623	7,498,567
55 under 65	252,919,890	1,573,236	9,142,618	2,225,582	12,250,765	2,225,582	21,516,145	2,224,950	9,265,380
65 and over	195,401,837	930,858	6,824,455	3,969,407	41,338,507	3,969,407	56,144,536	3,968,556	14,806,029

Age [1]	Total itemized deductions--continued							
	Taxes paid deduction							
	Total		State and local taxes					
			Total		Income tax		General sales tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)
All returns, total	**48,660,923**	**432,774,100**	**46,915,714**	**265,306,032**	**35,666,458**	**246,381,591**	**11,249,256**	**18,924,441**
Under 18	34,385	145,799	32,104	124,390	30,801	123,240	1,303	1,150
18 under 35	7,509,385	42,809,334	7,206,140	26,820,839	5,913,062	24,721,368	1,293,079	2,099,471
35 under 45	11,836,438	101,686,010	11,406,649	62,069,182	9,167,511	58,065,513	2,239,138	4,003,670
45 under 55	13,141,955	129,716,002	12,746,734	80,819,058	10,281,827	76,014,435	2,464,907	4,804,623
55 under 65	9,463,312	96,983,287	9,159,092	59,989,680	6,955,326	55,933,709	2,203,767	4,055,972
65 and over	6,675,448	61,433,668	6,364,994	35,482,882	3,317,932	31,523,327	3,047,062	3,959,555

Footnotes at end of table

Table 2.6--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Age--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Age [1]	Total itemized deductions--continued											
	Taxes paid deduction--continued						Interest paid deduction					
	Real estate taxes		Personal property taxes		Other taxes		Total		Home mortgage interest			
									Total		Paid to financial institutions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)
All returns, total	**42,584,481**	**156,384,349**	**21,470,392**	**8,958,052**	**3,071,407**	**2,125,666**	**40,284,927**	**470,474,844**	**39,831,381**	**443,151,695**	**39,441,507**	**437,057,932**
Under 18	* 4,289	* 20,734	* 11	* 6	* 143	* 668	8,345	146,946	* 2,967	* 28,690	* 2,967	* 28,671
18 under 35	5,572,996	14,557,536	3,084,522	1,267,134	320,549	163,824	5,977,171	68,312,099	5,954,130	67,181,280	5,891,416	66,282,158
35 under 45	10,379,247	36,950,053	5,224,004	2,259,311	676,070	407,464	10,790,544	140,836,033	10,761,797	135,464,065	10,670,936	134,036,399
45 under 55	11,987,907	45,583,160	6,100,029	2,718,243	867,136	595,541	11,859,215	138,410,304	11,794,451	131,703,543	11,686,991	129,907,927
55 under 65	8,765,889	34,661,084	4,321,658	1,776,414	719,139	556,108	8,002,205	87,166,070	7,893,095	79,895,810	7,806,091	78,561,178
65 and over	5,874,153	24,611,782	2,740,168	936,944	488,370	402,060	3,647,447	35,603,393	3,424,941	28,878,307	3,383,107	28,241,598

Age [1]	Total itemized deductions--continued											
	Interest paid deduction--continued						Contributions deduction					
	Home mortgage interest--cont.		Deductible points		Investment interest expense deduction		Total		Cash contributions		Other than cash contributions	
	Paid to individuals											
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)
All returns, total	**1,147,219**	**6,093,762**	**2,970,713**	**2,591,861**	**1,819,888**	**24,731,289**	**41,437,749**	**186,646,644**	**38,942,196**	**144,223,015**	**24,748,231**	**52,631,443**
Under 18	**	**	–	–	5,382	118,256	11,210	49,888	10,099	31,773	1,511	9,432
18 under 35	** 143,276	** 899,141	295,834	500,062	95,365	630,757	5,563,112	12,545,645	4,942,366	9,614,175	3,466,409	2,899,454
35 under 45	281,350	1,427,666	695,444	774,191	356,360	4,597,777	9,842,057	31,688,730	9,038,688	24,160,555	6,279,053	6,700,991
45 under 55	345,497	1,795,616	1,021,230	722,998	470,629	5,983,763	11,466,845	48,296,694	10,845,239	37,883,735	7,072,154	10,523,332
55 under 65	265,919	1,334,631	672,572	419,953	458,674	6,850,308	8,490,719	44,736,831	8,172,962	34,056,459	4,966,267	11,506,035
65 and over	111,177	636,709	285,634	174,656	433,478	6,550,429	6,063,805	49,328,855	5,932,842	38,476,318	2,962,837	20,992,197

Age [1]	Total itemized deductions--continued									
	Contributions deduction--cont.		Casualty or theft loss deduction		Limited miscellaneous deductions					
	Carryover from prior years				Total after limitation		Unreimbursed employee business expense		Tax preparation fees	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)
All returns, total	**511,699**	**25,122,432**	**206,287**	**5,135,555**	**12,313,749**	**76,666,241**	**15,985,244**	**75,600,830**	**20,810,174**	**5,758,548**
Under 18	1,011	11,358	–	–	15,882	75,035	* 937	* 4,423	7,852	4,260
18 under 35	42,777	156,853	27,783	368,802	2,655,908	17,220,085	3,287,231	18,799,487	3,033,829	549,741
35 under 45	82,584	2,412,385	43,096	910,814	3,099,710	18,803,804	4,345,403	21,610,325	4,845,035	1,044,965
45 under 55	125,647	2,107,413	56,497	2,241,181	3,201,159	18,946,000	4,653,857	20,635,659	5,481,596	1,381,221
55 under 65	105,031	3,807,511	39,882	821,951	2,106,702	12,948,578	2,900,211	11,869,407	4,163,524	1,243,013
65 and over	154,650	16,626,912	39,029	792,806	1,234,387	8,672,738	797,604	2,681,529	3,278,337	1,535,348

Footnotes at end of table

Table 2.6--Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Age--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Age [1]	Total itemized deductions--continued										Exemptions	
	Limited miscellaneous deductions--continued				Gambling loss deduction		Miscellaneous deductions other than gambling		Total unlimited miscellaneous deduction			
	Other limited miscellaneous deductions		Miscellaneous deductions subject to 2% AGI limitation									
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(100)	(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)	(109)	(110)	(111)
All returns, total	**9,484,460**	**29,472,844**	**28,432,625**	**110,832,221**	**1,060,601**	**19,100,144**	**564,501**	**2,525,301**	**1,605,514**	**21,987,875**	**119,049,156**	**378,007,545**
Under 18	17,731	84,103	19,977	92,786	--	--	2,409	3,104	2,409	3,104	* 5,952	* 19,535
18 under 35	1,202,177	2,116,855	4,522,781	21,466,083	55,897	829,991	89,591	269,527	145,076	1,106,292	17,317,118	56,532,207
35 under 45	1,672,394	3,794,886	6,773,412	26,450,175	151,457	2,559,422	117,672	533,012	268,013	3,112,312	36,863,842	117,461,244
45 under 55	2,423,540	6,372,253	7,601,313	28,389,133	286,688	4,897,601	136,979	608,749	415,112	5,554,819	35,413,252	111,291,657
55 under 65	2,094,375	7,216,318	5,526,571	20,328,737	345,100	6,459,084	137,263	632,477	473,656	7,155,025	18,669,768	58,670,548
65 and over	2,074,242	9,888,429	3,988,572	14,105,306	221,460	4,354,046	80,587	478,431	301,247	5,056,325	10,779,224	34,032,354

Age [1]	Taxable income		Alternative minimum tax		Income tax before credits		Total tax credits		Income tax after credits		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(112)	(113)	(114)	(115)	(116)	(117)	(118)	(119)	(120)	(121)	(122)	(123)
All returns, total	**45,237,593**	**4,144,450,317**	**3,808,616**	**20,894,160**	**45,257,612**	**871,454,428**	**21,492,514**	**34,178,844**	**42,402,082**	**837,275,584**	**42,402,082**	**837,277,177**
Under 18	34,242	2,418,259	8,202	15,069	35,681	519,736	17,352	13,286	34,371	506,450	34,371	506,450
18 under 35	7,124,775	373,926,998	240,295	943,898	7,125,523	68,672,842	3,801,723	5,700,038	6,337,141	62,972,804	6,337,141	62,972,804
35 under 45	11,153,705	923,523,019	994,520	4,146,643	11,159,901	193,443,809	7,344,841	13,445,021	9,966,122	179,998,788	9,966,122	179,998,788
45 under 55	12,453,457	1,254,358,829	1,272,098	6,128,941	12,456,872	273,314,165	5,871,227	9,316,644	11,798,730	263,997,521	11,798,730	263,999,057
55 under 65	8,855,334	967,453,881	783,743	4,987,204	8,860,295	209,008,300	2,765,775	3,918,347	8,698,615	205,089,953	8,698,615	205,090,009
65 and over	5,616,081	622,769,332	509,759	4,672,406	5,619,340	126,495,577	1,691,595	1,785,507	5,567,103	124,710,070	5,567,103	124,710,070

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

[1] Age for joint returns was based on the primary taxpayer's age.

NOTE: Detail may not add to totals because of rounding.

Table 3.1--Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income

[All figures are estimates based on samples--money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income	Modified taxable income	Income tax before credits regular tax computation		Tax generated		Tax differences due to alternative computations	Taxes from special computation		Alternative minimum tax	
				Number of returns	Amount	Number of returns	Amount		Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns with regular tax computation only												
Total	**82,283,552**	**4,083,327,222**	**2,576,834,227**	**82,283,552**	**419,758,698**	**82,283,552**	**419,499,609**	–	* 4,811	* 20,943	**1,229,287**	**3,321,956**
Under $5,000	288,786	680,822	197,052	288,786	19,731	288,786	19,731	–	–	–	**	**
$5,000 under $10,000	3,482,283	27,319,420	5,580,333	3,482,283	558,817	3,482,283	558,816	–	–	–	** 1,658	** 174
$10,000 under $15,000	5,964,638	74,994,436	24,361,585	5,964,638	2,453,627	5,964,638	2,453,565	–	–	–	–	–
$15,000 under $20,000	7,279,957	128,105,808	49,662,837	7,279,957	5,347,153	7,279,957	5,346,923	–	–	–	* 7	* 16
$20,000 under $25,000	8,003,582	180,247,779	77,148,640	8,003,582	8,971,731	8,003,582	8,971,513	–	–	–	* 1,312	* 2,112
$25,000 under $30,000	7,395,670	203,100,617	100,065,632	7,395,670	12,092,082	7,395,670	12,090,886	–	–	–	* 8	* 3
$30,000 under $40,000	12,107,304	420,768,431	233,397,982	12,107,304	29,382,767	12,107,304	29,380,711	–	* 1,649	* 7,090	* 1,411	* 719
$40,000 under $50,000	8,717,227	390,120,479	235,112,367	8,717,227	31,871,571	8,717,227	31,870,452	–	* 30	–	5,301	11,150
$50,000 under $75,000	14,338,006	877,147,661	562,214,982	14,338,006	82,057,678	14,338,006	82,049,505	–	* 2,995	* 819	68,055	69,048
$75,000 under $100,000	7,549,229	649,240,673	442,254,428	7,549,229	67,565,889	7,549,229	67,547,352	–	–	–	93,069	112,131
$100,000 under $200,000	6,240,777	800,600,903	575,127,033	6,240,777	105,211,314	6,240,777	105,171,199	–	–	–	516,180	880,999
$200,000 under $500,000	815,335	222,534,248	177,326,248	815,335	43,592,552	815,335	43,530,488	–	* 136	* 13,034	521,061	2,021,633
$500,000 under $1,000,000	74,251	49,405,283	42,124,462	74,251	12,911,894	74,251	12,866,394	–	–	–	20,214	177,795
$1,000,000 under $1,500,000	13,332	16,075,792	14,045,900	13,332	4,589,295	13,332	4,578,779	–	–	–	657	25,656
$1,500,000 under $2,000,000	4,736	8,090,994	7,187,102	4,736	2,409,127	4,736	2,396,978	–	–	–	138	4,310
$2,000,000 under $5,000,000	7,115	21,106,639	19,034,657	7,115	6,531,176	7,115	6,501,066	–	–	–	184	11,772
$5,000,000 under $10,000,000	967	6,540,607	5,719,365	967	1,998,088	967	1,978,024	–	–	–	27	3,805
$10,000,000 or more	356	7,246,632	6,273,621	356	2,194,206	356	2,187,226	–	–	–	* 5	* 633
Returns with Form 8615 tax computation												
Total	**352,987**	**5,150,965**	**4,557,649**	**352,987**	**902,985**	**352,987**	**885,659**	**-17,326**	**–**	**–**	**7,455**	**5,457**
Under $5,000	181,301	550,504	278,269	181,301	39,027	181,301	47,623	8,596	–	–	–	–
$5,000 under $10,000	79,780	577,960	423,634	79,780	46,170	79,780	69,668	23,498	–	–	* 650	* 53
$10,000 under $15,000	33,649	424,713	350,329	33,649	43,483	33,649	58,843	15,360	–	–	–	–
$15,000 under $20,000	14,763	244,534	213,012	14,763	27,655	14,763	35,832	8,177	–	–	* 1,299	* 882
$20,000 under $25,000	9,577	211,825	209,678	9,577	24,562	9,577	37,631	13,069	–	–	* 673	* 42
$25,000 under $30,000	7,543	210,060	195,324	7,543	26,983	7,543	42,337	15,354	–	–	* 650	* 59
$30,000 under $40,000	8,489	298,694	332,324	8,489	40,875	8,489	63,337	22,462	–	–	* 650	* 419
$40,000 under $50,000	* 4,179	* 191,599	* 183,797	* 4,179	* 31,903	* 4,179	* 40,304	* 8,401	–	–	* 625	* 384
$50,000 under $75,000	* 3,430	* 208,833	* 199,883	* 3,430	* 38,356	* 3,430	* 35,872	* -2,484	–	–	* 624	* 647
$75,000 under $100,000	* 5,873	* 508,800	* 505,552	* 5,873	* 96,782	* 5,873	* 102,207	* 5,426	–	–	* 1,986	* 1,811
$100,000 under $200,000	* 2,862	* 443,450	* 448,641	* 2,862	* 91,601	* 2,862	* 68,564	* -23,038	–	–	–	–
$200,000 under $500,000	* 761	* 259,807	* 253,375	* 761	* 73,915	* 761	* 66,722	* -7,193	–	–	–	–
$500,000 under $1,000,000	* 521	* 357,227	* 336,665	* 521	* 107,362	* 521	* 70,447	* -36,915	–	–	* 220	* 491
$1,000,000 under $1,500,000	* 122	* 158,101	* 151,539	* 122	* 50,575	* 122	* 37,882	* -12,693	–	–	* 48	* 291
$1,500,000 under $2,000,000	* 33	* 57,941	* 53,842	* 33	* 18,179	* 33	* 13,939	* -4,240	–	–	–	–
$2,000,000 under $5,000,000	83	287,609	271,120	83	93,232	83	63,606	-29,625	–	–	* 27	* 342
$5,000,000 under $10,000,000	** 20	** 159,310	** 150,666	** 20	** 52,324	** 20	** 30,844	** -21,480	–	–	** 4	** 34
$10,000,000 or more	**	**	**	**	**	**	**	**	–	–	**	**
Returns with Schedule D tax computation												
Total	**22,454,716**	**3,495,898,798**	**2,177,428,346**	**22,454,716**	**718,631,459**	**22,454,716**	**611,385,367**	**-107,246,092**	**3,308**	**15,840**	**2,604,122**	**15,343,821**
Under $5,000	111,011	328,024	73,041	111,011	15,628	111,011	11,468	-4,160	–	–	–	–
$5,000 under $10,000	242,149	1,785,090	400,241	242,149	68,368	242,149	54,123	-14,245	–	–	–	–
$10,000 under $15,000	452,701	5,721,208	1,421,172	452,701	197,873	452,701	168,989	-28,883	–	–	–	–
$15,000 under $20,000	545,920	9,580,116	3,129,258	545,920	442,355	545,920	378,009	-64,346	–	–	–	–
$20,000 under $25,000	691,658	15,612,899	5,783,818	691,658	818,782	691,658	725,292	-93,490	* 624	* 225	–	–
$25,000 under $30,000	774,299	21,402,547	8,838,806	774,299	1,309,110	774,299	1,150,340	-158,770	–	–	* 661	* 2,130
$30,000 under $40,000	1,519,769	53,315,013	26,006,088	1,519,769	3,779,834	1,519,769	3,418,595	-361,238	–	–	* 394	* 340
$40,000 under $50,000	1,723,174	77,681,270	42,708,861	1,723,174	6,623,279	1,723,174	6,077,079	-546,200	–	–	* 1,286	* 636
$50,000 under $75,000	4,242,132	264,414,700	157,775,224	4,242,132	26,806,712	4,242,132	24,869,995	-1,936,716	* 1,277	* 9,778	13,277	18,786
$75,000 under $100,000	3,468,933	300,997,440	190,741,817	3,468,933	33,797,175	3,468,933	31,508,122	-2,289,054	* 8	* 34	30,693	43,576
$100,000 under $200,000	5,687,194	783,551,617	525,236,537	5,687,194	114,413,162	5,687,194	107,019,167	-7,393,996	* 1,023	* 57	561,711	1,139,706
$200,000 under $500,000	2,213,703	644,323,895	441,772,583	2,213,703	135,163,659	2,213,703	121,345,632	-13,818,027	* 313	* 4,527	1,679,388	8,567,864
$500,000 under $1,000,000	484,755	329,250,983	224,899,699	484,755	88,966,725	484,755	76,975,222	-11,991,503	* 41	* 6	242,236	2,699,037
$1,000,000 under $1,500,000	126,768	153,276,254	100,774,620	126,768	44,892,947	126,768	37,817,421	-7,075,526	* 8	* 91	35,402	704,199
$1,500,000 under $2,000,000	54,002	93,020,432	59,353,929	54,002	27,989,726	54,002	23,213,317	-4,776,409	* 3	* 634	13,661	375,229
$2,000,000 under $5,000,000	82,486	246,181,098	151,623,407	82,486	76,242,725	82,486	62,056,547	-14,186,177	* 7	* 162	18,182	737,517
$5,000,000 under $10,000,000	20,987	143,922,080	80,082,059	20,987	45,474,554	20,987	35,326,266	-10,148,288	* 3	* 327	4,426	336,275
$10,000,000 or more	13,076	351,534,132	156,807,186	13,076	111,628,845	13,076	79,269,782	-32,359,064	–	–	2,804	718,525

Footnotes at end of table.

Table 3.1--Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Income tax before credits		Total tax credits		Income tax after credits		Total income tax				
									As a percentage of		Average income tax (dollars)
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Modified taxable income	Adjusted gross income	
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
Returns with regular tax computation only											
Total	**82,283,552**	**422,842,508**	**34,804,038**	**39,828,255**	**69,165,083**	**383,014,253**	**69,165,083**	**383,014,253**	**14.9**	**9.4**	**4,655**
Under $5,000	288,786	19,751	* 1,605	* 109	287,832	19,642	287,832	19,642	10.0	2.9	68
$5,000 under $10,000	3,482,283	558,970	558,361	42,352	2,944,680	516,618	2,944,680	516,618	9.3	1.9	148
$10,000 under $15,000	5,964,638	2,453,565	1,608,667	307,528	5,183,828	2,146,037	5,183,828	2,146,037	8.8	2.9	360
$15,000 under $20,000	7,279,957	5,346,940	2,871,139	994,937	5,092,049	4,352,002	5,092,049	4,352,002	8.8	3.4	598
$20,000 under $25,000	8,003,582	8,973,625	3,985,144	2,188,095	5,110,642	6,785,530	5,110,642	6,785,530	8.8	3.8	848
$25,000 under $30,000	7,395,670	12,090,890	3,284,393	2,824,303	5,010,430	9,266,587	5,010,430	9,266,587	9.3	4.6	1,253
$30,000 under $40,000	12,107,304	29,388,520	5,224,365	5,376,394	9,676,677	24,012,126	9,676,677	24,012,126	10.3	5.7	1,983
$40,000 under $50,000	8,717,227	31,881,602	3,938,574	5,080,891	7,660,838	26,800,711	7,660,838	26,800,711	11.4	6.9	3,074
$50,000 under $75,000	14,338,006	82,119,372	6,473,044	11,019,188	13,596,281	71,100,184	13,596,281	71,100,184	12.6	8.1	4,959
$75,000 under $100,000	7,549,229	67,659,483	3,968,275	7,400,999	7,460,217	60,258,483	7,460,217	60,258,483	13.6	9.3	7,982
$100,000 under $200,000	6,240,777	106,052,198	2,695,210	3,801,992	6,226,238	102,250,206	6,226,238	102,250,206	17.8	12.8	16,384
$200,000 under $500,000	815,335	45,565,155	169,317	313,508	814,743	45,251,647	814,743	45,251,647	25.5	20.3	55,501
$500,000 under $1,000,000	74,251	13,044,189	18,877	122,768	74,172	12,921,421	74,172	12,921,421	30.7	26.2	174,024
$1,000,000 under $1,500,000	13,332	4,604,435	3,849	71,765	13,310	4,532,670	13,310	4,532,670	32.3	28.2	339,984
$1,500,000 under $2,000,000	4,736	2,401,288	1,277	42,152	4,732	2,359,137	4,732	2,359,137	32.8	29.2	498,129
$2,000,000 under $5,000,000	7,115	6,512,838	1,531	112,061	7,097	6,400,777	7,097	6,400,777	33.6	30.3	899,617
$5,000,000 under $10,000,000	967	1,981,829	285	54,572	963	1,927,257	963	1,927,257	33.7	29.5	1,993,027
$10,000,000 or more	356	2,187,859	127	74,641	355	2,113,218	355	2,113,218	33.7	29.2	5,936,006
Returns with Form 8615 tax computation											
Total	**352,987**	**891,116**	**111,290**	**17,911**	**352,986**	**873,205**	**352,986**	**873,205**	**19.2**	**17.0**	**2,474**
Under $5,000	181,301	47,623	47,996	1,529	181,301	46,094	181,301	46,094	16.6	8.4	254
$5,000 under $10,000	79,780	69,721	28,520	934	79,780	68,788	79,780	68,788	16.2	11.9	862
$10,000 under $15,000	33,649	58,843	10,026	650	33,649	58,193	33,649	58,193	16.6	13.7	1,729
$15,000 under $20,000	14,763	36,714	* 4,310	* 86	14,763	36,628	14,763	36,628	17.2	15.0	2,481
$20,000 under $25,000	9,577	37,673	* 5,029	* 560	9,577	37,113	9,577	37,113	17.7	17.5	3,875
$25,000 under $30,000	7,543	42,396	* 2,337	* 348	7,543	42,048	7,543	42,048	21.5	20.0	5,574
$30,000 under $40,000	8,489	63,756	* 3,316	* 228	8,489	63,528	8,489	63,528	19.1	21.3	7,484
$40,000 under $50,000	* 4,179	* 40,689	* 1,922	* 479	* 4,179	* 40,209	* 4,179	* 40,209	* 21.9	* 21.0	* 9,622
$50,000 under $75,000	* 3,430	* 36,519	* 2,805	* 122	* 3,430	* 36,398	* 3,430	* 36,398	* 18.2	* 17.4	* 10,612
$75,000 under $100,000	* 5,873	* 104,019	* 2,643	* 2,367	* 5,873	* 101,652	* 5,873	* 101,652	* 20.1	* 20.0	* 17,308
$100,000 under $200,000	* 2,862	* 68,564	* 1,603	* 3,083	* 2,862	* 65,481	* 2,862	* 65,481	* 14.6	* 14.8	* 22,879
$200,000 under $500,000	* 761	* 66,722	* 444	* 1,323	* 760	* 65,399	* 760	* 65,399	* 25.8	* 25.2	* 85,938
$500,000 under $1,000,000	* 521	* 70,938	* 164	* 257	* 521	* 70,681	* 521	* 70,681	* 21.0	* 19.8	* 135,664
$1,000,000 under $1,500,000	* 122	* 38,172	* 66	* 2,646	* 122	* 35,526	* 122	* 35,526	* 23.4	* 22.5	* 291,197
$1,500,000 under $2,000,000	* 33	* 13,939	* 33	* 692	* 33	* 13,247	* 33	* 13,247	* 24.6	* 22.9	* 401,424
$2,000,000 under $5,000,000	83	63,949	61	1,635	83	62,314	83	62,314	23.0	21.7	750,771
$5,000,000 under $10,000,000	** 20	** 30,878	** 15	** 973	** 20	** 29,905	** 20	** 29,905	** 19.8	** 18.8	** 1,495,250
$10,000,000 or more	**	**	**	**	**	**	**	**	**	**	**
Returns with Schedule D tax computation											
Total	**22,454,716**	**626,745,029**	**10,533,718**	**14,796,165**	**21,818,421**	**611,948,863**	**21,818,421**	**611,952,603**	**28.1**	**17.5**	**27,253**
Under $5,000	111,011	11,468	19,449	232	110,413	11,236	110,413	11,236	15.4	3.4	101
$5,000 under $10,000	242,149	54,123	56,421	2,043	231,995	52,080	231,995	52,080	13.0	2.9	215
$10,000 under $15,000	452,701	168,989	143,190	24,636	398,792	144,353	398,792	144,353	10.2	2.5	319
$15,000 under $20,000	545,920	378,009	172,185	35,950	510,454	342,059	510,454	342,059	10.9	3.6	627
$20,000 under $25,000	691,658	725,517	253,443	84,909	627,561	640,607	627,561	640,607	11.1	4.1	926
$25,000 under $30,000	774,299	1,152,470	252,577	108,470	698,012	1,044,000	698,012	1,044,000	11.8	4.9	1,348
$30,000 under $40,000	1,519,769	3,418,936	573,178	283,862	1,397,277	3,135,073	1,397,277	3,135,073	12.1	5.9	2,063
$40,000 under $50,000	1,723,174	6,077,716	723,826	496,767	1,614,017	5,580,948	1,614,017	5,580,948	13.1	7.2	3,239
$50,000 under $75,000	4,242,132	24,898,559	1,880,547	1,896,497	4,110,792	23,002,061	4,110,792	23,002,073	14.6	8.7	5,422
$75,000 under $100,000	3,468,933	31,551,732	1,861,305	2,243,104	3,446,250	29,308,627	3,446,250	29,308,627	15.4	9.7	8,449
$100,000 under $200,000	5,687,194	108,158,929	2,977,916	2,424,401	5,678,214	105,734,528	5,678,214	105,734,528	20.1	13.5	18,592
$200,000 under $500,000	2,213,703	129,918,023	1,103,813	1,028,681	2,212,947	128,889,342	2,212,947	128,889,342	29.2	20.0	58,223
$500,000 under $1,000,000	484,755	79,674,265	303,995	864,357	484,528	78,809,908	484,528	78,809,908	35.0	23.9	162,577
$1,000,000 under $1,500,000	126,768	38,521,711	85,417	506,098	126,705	38,015,613	126,705	38,015,656	37.7	24.8	299,884
$1,500,000 under $2,000,000	54,002	23,589,181	38,056	379,082	53,968	23,210,099	53,968	23,210,698	39.1	25.0	429,812
$2,000,000 under $5,000,000	82,486	62,794,227	61,313	1,168,834	82,453	61,625,393	82,453	61,626,979	40.6	25.0	747,120
$5,000,000 under $10,000,000	20,987	35,662,869	16,301	728,627	20,976	34,934,242	20,976	34,934,242	43.6	24.3	1,664,566
$10,000,000 or more	13,076	79,988,306	10,784	2,519,614	13,068	77,468,692	13,068	77,470,193	49.4	22.0	5,924,609

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

[1] See section 4 for the definition of modified taxable income

NOTE: Detail may not add to totals because of rounding.

Table 3.2--Returns with Total Income Tax: Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income								
	Total			Under 5 percent			5 under 7 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns									
Total	**92,740,927**	**7,439,473,161**	**1,023,920,139**	**27,078,038**	**882,883,495**	**25,473,486**	**12,999,940**	**602,930,514**	**36,494,115**
Under $5,000	863,089	-3,730,093	269,895	665,655	1,632,702	31,483	70,991	196,979	11,781
$5,000 under $10,000	3,368,135	25,495,646	654,390	3,249,848	24,628,454	559,651	33,651	254,048	14,371
$10,000 under $15,000	5,775,871	72,134,324	2,373,130	4,917,439	61,614,637	1,710,582	758,576	9,128,878	530,088
$15,000 under $20,000	5,720,555	100,369,887	4,759,278	2,899,898	49,173,472	1,577,191	2,494,625	45,615,763	2,698,089
$20,000 under $25,000	5,853,087	131,704,447	7,501,691	1,961,574	44,131,335	989,281	1,053,374	22,771,692	1,447,447
$25,000 under $30,000	5,777,215	159,017,821	10,396,566	1,998,056	54,962,102	1,517,017	444,986	12,247,629	741,753
$30,000 under $40,000	11,156,227	389,433,125	27,293,090	3,528,931	121,851,093	3,579,716	1,718,507	61,780,966	3,649,298
$40,000 under $50,000	9,329,664	418,586,587	32,509,507	2,308,988	103,688,130	2,851,687	1,590,959	70,501,334	4,334,939
$50,000 under $75,000	17,817,863	1,097,416,752	94,443,395	3,738,257	227,974,453	6,689,838	2,607,001	160,722,336	9,690,968
$75,000 under $100,000	10,981,207	947,433,910	90,019,371	1,345,488	114,103,387	3,716,158	1,652,740	141,716,777	8,615,188
$100,000 under $200,000	12,041,382	1,600,506,040	209,381,101	421,892	50,275,179	1,636,484	547,198	63,383,719	3,859,256
$200,000 or more	4,056,631	2,501,104,714	544,318,726	42,012	28,848,552	614,397	27,332	14,610,392	900,936
Joint returns									
Total	**40,551,555**	**5,089,627,143**	**733,818,888**	**10,440,500**	**549,123,706**	**15,944,031**	**5,847,618**	**401,822,327**	**24,313,151**
Under $5,000	2,918	-3,660,343	109,646	--	--	--	--	--	--
$5,000 under $10,000	* 1,023	* 7,986	* 1,738	* 12	* 85	* 2	--	--	--
$10,000 under $15,000	* 1,058	* 15,417	* 864	* 1,007	* 14,768	* 233	--	--	--
$15,000 under $20,000	364,714	6,845,373	45,712	363,652	6,826,301	41,862	--	--	--
$20,000 under $25,000	991,346	22,358,142	392,681	990,793	22,345,345	390,689	* 252	* 5,746	* 343
$25,000 under $30,000	1,020,444	28,105,682	818,671	1,018,892	28,062,817	806,599	773	21,682	1,275
$30,000 under $40,000	2,630,643	92,800,174	3,686,985	1,809,953	62,402,012	1,909,399	817,502	30,280,617	1,759,623
$40,000 under $50,000	3,283,227	148,479,599	7,479,399	1,466,335	66,252,575	1,774,069	892,065	39,543,184	2,438,745
$50,000 under $75,000	10,194,158	638,174,621	41,652,349	3,116,268	191,555,256	5,586,492	2,014,888	125,764,150	7,572,535
$75,000 under $100,000	8,496,260	735,412,345	60,497,999	1,256,279	106,680,427	3,488,991	1,571,073	134,835,343	8,195,277
$100,000 under $200,000	10,133,172	1,350,083,999	167,569,483	385,805	45,521,982	1,510,413	529,533	61,153,519	3,723,716
$200,000 or more	3,432,592	2,071,004,148	451,563,362	31,504	19,462,139	435,283	21,533	10,218,086	621,636
Single returns									
Total	**43,351,108**	**1,808,533,735**	**228,952,219**	**13,225,036**	**208,416,393**	**6,093,702**	**5,605,598**	**133,611,788**	**8,111,247**
Under $5,000	857,024	1,036,582	132,142	664,010	1,624,683	31,379	70,991	196,979	11,781
$5,000 under $10,000	3,328,812	25,145,880	647,580	3,213,228	24,301,248	555,478	32,007	239,695	13,504
$10,000 under $15,000	5,584,277	69,669,723	2,307,245	4,732,450	59,232,182	1,650,784	753,576	9,067,219	526,271
$15,000 under $20,000	5,016,491	87,544,295	4,491,658	2,300,763	38,266,047	1,432,853	2,400,473	43,899,048	2,595,287
$20,000 under $25,000	4,425,884	99,524,892	6,656,461	716,306	16,048,123	437,101	986,338	21,277,398	1,358,153
$25,000 under $30,000	4,022,516	110,581,521	8,681,533	538,977	14,700,725	436,473	331,232	9,098,951	555,639
$30,000 under $40,000	6,485,998	225,273,225	20,154,512	555,773	19,031,051	578,809	507,836	17,644,908	1,073,228
$40,000 under $50,000	4,324,060	193,211,408	20,341,183	218,924	9,710,014	289,904	248,570	11,039,986	680,946
$50,000 under $75,000	5,483,103	330,679,883	42,182,867	206,109	12,153,841	355,419	217,594	12,789,655	779,904
$75,000 under $100,000	1,852,073	158,070,757	23,334,044	45,676	3,806,930	110,586	40,622	3,420,788	206,288
$100,000 under $200,000	1,482,149	195,373,028	33,226,344	25,416	3,404,286	87,744	12,449	1,602,806	96,785
$200,000 or more	488,720	312,422,544	66,796,649	7,403	6,137,263	127,172	3,912	3,334,357	213,460

Footnotes at end of table.

Table 3.2--Returns with Total Income Tax: Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income--continued								
	7 under 10 percent			10 under 12 percent			12 under 15 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns									
Total	**23,049,236**	**1,260,257,977**	**108,268,241**	**10,306,070**	**781,398,804**	**85,320,674**	**9,871,860**	**1,111,387,709**	**150,521,568**
Under $5,000	73,601	254,046	20,706	18,174	68,329	7,523	15,920	58,542	7,953
$5,000 under $10,000	34,677	246,449	20,690	6,948	45,523	5,065	19,904	150,388	19,793
$10,000 under $15,000	71,184	1,028,740	75,489	4,507	57,795	6,310	17,937	225,826	30,648
$15,000 under $20,000	305,295	5,226,949	428,318	4,578	78,852	8,879	8,572	148,693	19,945
$20,000 under $25,000	2,807,872	64,101,499	4,971,070	18,728	445,096	46,036	4,527	100,547	13,904
$25,000 under $30,000	3,282,821	90,409,731	7,952,788	41,357	1,122,074	120,733	3,993	109,450	15,184
$30,000 under $40,000	3,242,789	109,023,043	9,873,930	2,639,160	95,821,113	10,028,730	16,625	591,538	76,337
$40,000 under $50,000	2,429,071	109,742,375	8,995,828	1,473,288	63,913,431	7,174,809	1,518,268	70,327,527	9,066,311
$50,000 under $75,000	5,783,922	355,836,938	30,743,988	1,720,933	109,988,699	11,807,310	2,513,528	148,713,981	20,343,016
$75,000 under $100,000	3,242,670	279,146,483	23,828,565	2,255,949	194,272,566	21,210,668	1,361,439	121,482,814	15,982,723
$100,000 under $200,000	1,712,455	203,954,576	17,800,297	2,030,245	253,490,664	28,048,629	4,066,306	541,655,214	73,255,479
$200,000 or more	62,879	41,287,146	3,556,572	92,203	62,094,662	6,855,981	324,841	227,823,188	31,690,275
Joint returns									
Total	**10,073,536**	**805,751,359**	**69,079,377**	**4,596,359**	**505,661,792**	**55,304,906**	**4,658,797**	**741,197,451**	**100,381,360**
Under $5,000	--	--	--	--	--	--	--	--	--
$5,000 under $10,000	--	--	--	--	--	--	--	--	--
$10,000 under $15,000	--	--	--	--	--	--	--	--	--
$15,000 under $20,000	* 40	* 663	* 52	--	--	--	--	--	--
$20,000 under $25,000	* 206	* 5,040	* 382	--	--	--	* 12	* 265	* 36
$25,000 under $30,000	* 437	* 11,763	* 999	* 192	* 5,560	* 578	--	--	--
$30,000 under $40,000	1,000	34,704	2,890	411	14,649	1,622	743	27,287	3,641
$40,000 under $50,000	921,191	42,516,518	3,237,983	577	26,399	2,924	1,184	54,549	7,250
$50,000 under $75,000	4,447,990	277,362,779	24,000,782	609,885	43,165,973	4,438,049	1,990	121,656	16,331
$75,000 under $100,000	3,016,412	260,040,254	22,166,894	1,985,612	171,465,421	18,675,937	662,616	62,020,732	7,893,059
$100,000 under $200,000	1,634,975	194,263,033	16,951,084	1,919,390	239,692,291	26,518,525	3,717,970	498,125,549	67,325,746
$200,000 or more	51,285	31,516,604	2,718,310	80,292	51,291,499	5,667,271	274,282	180,847,413	25,135,297
Single returns									
Total	**10,973,311**	**354,608,390**	**30,761,508**	**4,992,621**	**229,077,804**	**24,917,101**	**4,580,894**	**308,569,875**	**41,769,912**
Under $5,000	73,601	254,046	20,706	18,174	68,329	7,523	15,920	58,542	7,953
$5,000 under $10,000	34,677	246,449	20,690	6,900	45,215	5,031	19,904	150,388	19,793
$10,000 under $15,000	69,921	1,012,859	74,281	4,265	54,541	5,971	17,887	225,124	30,556
$15,000 under $20,000	296,708	5,066,854	414,106	* 3,511	* 57,716	* 6,680	8,524	147,827	19,826
$20,000 under $25,000	2,695,325	61,552,921	4,774,383	16,615	396,987	40,807	4,467	99,200	13,708
$25,000 under $30,000	3,110,975	85,660,962	7,544,740	31,839	857,993	91,969	3,849	105,540	14,661
$30,000 under $40,000	2,885,579	96,491,820	8,820,615	2,521,263	91,565,222	9,579,760	6,845	232,120	30,731
$40,000 under $50,000	1,015,025	44,956,033	3,901,341	1,381,493	59,845,297	6,726,553	1,453,966	67,382,535	8,682,726
$50,000 under $75,000	624,746	36,647,304	3,206,094	777,193	46,126,284	5,122,685	2,278,775	133,700,686	18,350,189
$75,000 under $100,000	108,135	9,143,405	802,015	147,312	12,502,645	1,392,603	492,032	41,667,626	5,690,900
$100,000 under $200,000	50,288	6,464,015	572,929	74,092	9,241,843	1,025,883	237,972	30,413,199	4,125,135
$200,000 or more	8,331	7,111,723	609,608	9,966	8,315,733	911,636	40,754	34,387,087	4,783,732

Footnotes at end of table.

Table 3.2--Returns with Total Income Tax: Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income--continued								
	15 under 17 percent			17 under 25 percent			25 under 30 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
All returns									
Total	**3,987,837**	**677,462,581**	**107,914,814**	**4,613,128**	**1,252,843,385**	**255,942,882**	**702,169**	**567,201,442**	**154,818,108**
Under $5,000	* 6,628	* 24,016	* 3,799	* 5,555	* 22,155	* 4,185	* 106	* 363	* 98
$5,000 under $10,000	* 6,990	* 49,601	* 7,837	13,791	100,709	20,918	* 2,309	* 20,341	* 5,966
$10,000 under $15,000	* 1,007	* 12,568	* 2,059	* 2,307	* 29,302	* 6,733	* 1,324	* 16,596	* 4,613
$15,000 under $20,000	2,255	36,922	5,861	* 4,638	* 77,345	* 15,648	* 3	* 61	* 17
$20,000 under $25,000	2,478	51,652	8,291	2,479	56,265	10,907	* 650	* 13,554	* 3,467
$25,000 under $30,000	* 290	* 7,824	* 1,285	2,934	82,054	15,139	* 1,306	* 36,403	* 10,101
$30,000 under $40,000	1,335	46,590	7,499	4,918	179,066	36,416	* 2,646	* 92,803	* 24,860
$40,000 under $50,000	3,470	158,885	24,900	3,873	180,112	38,760	* 1,114	* 47,556	* 13,274
$50,000 under $75,000	1,264,865	80,630,671	12,799,660	188,183	13,478,902	2,341,851	* 158	* 9,841	* 2,640
$75,000 under $100,000	507,776	43,610,496	6,982,235	612,431	52,876,266	9,610,327	1,787	151,051	39,659
$100,000 under $200,000	1,733,894	258,276,392	41,106,222	1,521,574	228,197,135	43,290,510	6,349	1,047,113	270,899
$200,000 or more	456,848	294,556,963	46,965,166	2,250,445	957,564,074	200,551,488	684,417	565,765,758	154,442,513
Joint returns									
Total	**1,804,381**	**454,158,690**	**72,355,927**	**2,506,715**	**920,895,073**	**189,814,857**	**532,258**	**468,794,942**	**127,924,245**
Under $5,000	--	--	--	[1]	[1]	[1]	[1]	[1]	[1]
$5,000 under $10,000	--	--	--	[1]	[1]	[1]	[1]	[1]	[1]
$10,000 under $15,000	--	--	--	--	--	--	[1]	[1]	[1]
$15,000 under $20,000	* 9	* 144	* 24	* 1,007	* 18,149	* 3,556	* 3	* 61	* 17
$20,000 under $25,000	--	--	--	--	--	--	--	--	--
$25,000 under $30,000	--	--	--	--	--	--	[1]	[1]	[1]
$30,000 under $40,000	[1]	[1]	[1]	* 1,001	* 39,655	* 9,154	[1]	[1]	[1]
$40,000 under $50,000	[1]	[1]	[1]	* 672	* 31,572	* 7,516	[1]	[1]	[1]
$50,000 under $75,000	1,232	78,381	12,605	1,881	124,940	23,291	[1]	[1]	[1]
$75,000 under $100,000	974	84,713	13,660	2,827	249,190	49,047	* 324	* 24,815	* 6,767
$100,000 under $200,000	1,406,088	217,063,942	34,499,446	537,610	93,984,100	16,915,870	473	75,341	19,641
$200,000 or more	395,299	236,896,706	37,824,711	1,960,710	826,439,585	172,804,711	530,903	468,673,493	127,892,350
Single returns									
Total	**1,953,572**	**187,559,687**	**29,881,774**	**1,861,398**	**275,287,068**	**54,645,169**	**128,279**	**70,958,874**	**19,368,002**
Under $5,000	* 6,628	* 24,016	* 3,799	[1]	[1]	[1]	[1]	[1]	[1]
$5,000 under $10,000	* 6,990	* 49,601	* 7,837	[1]	[1]	[1]	[1]	[1]	[1]
$10,000 under $15,000	* 1,007	* 12,568	* 2,059	* 2,307	* 29,302	* 6,733	[1]	[1]	[1]
$15,000 under $20,000	* 2,195	* 35,849	* 5,686	* 3,629	* 59,178	* 12,088	--	--	--
$20,000 under $25,000	2,478	51,652	8,291	2,383	53,997	10,495	* 650	* 13,554	* 3,467
$25,000 under $30,000	* 195	* 5,319	* 880	2,826	79,020	14,560	[1]	[1]	[1]
$30,000 under $40,000	[1]	[1]	[1]	3,552	127,067	24,727	[1]	[1]	[1]
$40,000 under $50,000	[1]	[1]	[1]	3,081	142,741	30,096	[1]	[1]	[1]
$50,000 under $75,000	1,202,392	76,601,597	12,160,986	175,317	12,601,483	2,187,494	[1]	[1]	[1]
$75,000 under $100,000	436,423	37,264,824	5,977,144	579,831	50,093,823	9,101,204	1,259	108,194	27,889
$100,000 under $200,000	241,074	30,498,826	4,896,284	839,859	113,599,869	22,380,429	939	137,659	36,682
$200,000 or more	51,234	42,890,698	6,798,832	230,274	98,385,605	20,853,953	117,204	70,506,738	19,246,538

Footnotes at end of table.

Table 3.2--Returns with Total Income Tax: Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income--continued								
	30 under 50 percent			50 under 100 percent			100 percent or more		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns									
Total	**124,264**	**308,535,366**	**98,604,941**	**1,596**	**525,011**	**319,471**	**6,790**	**-5,953,121**	**241,840**
Under $5,000	--	--	--	* 137	* 249	* 140	6,322	-5,987,474	182,225
$5,000 under $10,000	* 7	* 60	* 23	[1]	[1]	[1]	[1]	[1]	[1]
$10,000 under $15,000	* 1,548	* 19,425	* 6,015	* 3	* 30	* 20	* 40	* 527	* 573
$15,000 under $20,000	* 650	* 11,121	* 3,851	--	--	--	* 41	* 710	* 1,478
$20,000 under $25,000	* 1,337	* 31,362	* 10,180	* 69	* 1,443	* 1,107	--	--	--
$25,000 under $30,000	* 1,324	* 36,790	* 12,349	[1]	[1]	[1]	[1]	[1]	[1]
$30,000 under $40,000	* 1,299	* 46,307	* 15,201	[1]	[1]	[1]	[1]	[1]	[1]
$40,000 under $50,000	* 624	* 26,862	* 8,351	[1]	[1]	[1]	[1]	[1]	[1]
$50,000 under $75,000	* 932	* 56,133	* 18,757	* 34	* 2,122	* 1,189	* 49	* 2,674	* 4,179
$75,000 under $100,000	* 648	* 50,442	* 16,864	* 268	* 22,832	* 15,559	* 10	* 796	* 1,423
$100,000 under $200,000	1,147	180,570	63,667	* 168	* 29,271	* 20,953	* 154	* 16,206	* 28,704
$200,000 or more	114,748	308,076,294	98,449,683	897	468,537	280,060	* 10	* 9,149	* 11,654
Joint returns									
Total	**87,000**	**245,376,198**	**78,249,431**	**1,352**	**476,554**	**289,924**	**3,039**	**-3,630,950**	**161,678**
Under $5,000	--	--	--	[1]	[1]	[1]	[1]	[1]	[1]
$5,000 under $10,000	--	--	--	--	--	--	[1]	[1]	[1]
$10,000 under $15,000	* 7	* 80	* 35	[1]	[1]	[1]	* 40	* 527	* 573
$15,000 under $20,000	--	--	--	--	--	--	* 3	* 54	* 200
$20,000 under $25,000	[1]	[1]	[1]	[1]	[1]	[1]	--	--	--
$25,000 under $30,000	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]
$30,000 under $40,000	--	--	--	--	--	--	[1]	[1]	[1]
$40,000 under $50,000	--	--	--	[1]	[1]	[1]	[1]	[1]	[1]
$50,000 under $75,000	* 11	* 727	* 324	* 4	* 234	* 168	[1]	[1]	[1]
$75,000 under $100,000	* 11	* 957	* 399	* 128	* 10,236	* 7,084	* 3	* 258	* 882
$100,000 under $200,000	1,014	159,741	56,867	* 165	* 28,800	* 20,552	* 150	* 15,702	* 27,623
$200,000 or more	85,941	245,214,360	78,191,673	834	435,114	260,466	* 10	* 9,149	* 11,654
Single returns									
Total	**27,982**	**41,623,253**	**13,335,561**	*** 219**	*** 30,945**	*** 19,709**	**2,197**	**-1,210,342**	**48,533**
Under $5,000	--	--	--	[1]	[1]	[1]	[1]	[1]	[1]
$5,000 under $10,000	* 7	* 60	* 23	[1]	[1]	[1]	[1]	[1]	[1]
$10,000 under $15,000	* 1,542	* 19,345	* 5,980	[1]	[1]	[1]	--	--	--
$15,000 under $20,000	* 650	* 11,121	* 3,851	--	--	--	* 38	* 656	* 1,279
$20,000 under $25,000	[1]	[1]	[1]	[1]	[1]	[1]	--	--	--
$25,000 under $30,000	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]
$30,000 under $40,000	* 1,299	* 46,307	* 15,201	--	--	--	--	--	--
$40,000 under $50,000	* 624	* 26,862	* 8,351	--	--	--	[1]	[1]	[1]
$50,000 under $75,000	* 921	* 55,406	* 18,433	* 30	* 1,888	* 1,021	[1]	[1]	[1]
$75,000 under $100,000	* 636	* 49,485	* 16,465	* 140	* 12,498	* 8,408	* 7	* 538	* 541
$100,000 under $200,000	* 56	* 10,021	* 3,391	--	--	--	* 4	* 504	* 1,081
$200,000 or more	19,602	41,336,827	13,241,470	* 43	* 16,513	* 10,247	--	--	--

* Estimate should be used with caution due to the small number of sample returns on which it is based.

[1] Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in appropriate totals.

NOTE: Detail may not add to totals because of rounding.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	All returns	Tax credits							
		Total		Child care credit		Credit for the elderly and disabled		Child tax credit	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	**138,394,754**	**46,091,502**	**58,938,971**	**6,466,792**	**3,486,637**	**98,261**	**14,571**	**25,741,511**	**31,741,551**
No adjusted gross income	2,675,594	4,602	3,925	* 4	* 5	** 315	** 224	3,602	3,070
$1 under $5,000	11,633,370	128,710	3,722	* 625	* 223	**	**	* 2,095	* 904
$5,000 under $10,000	11,786,747	680,091	46,864	--	--	* 1,658	* 98	* 2,943	* 260
$10,000 under $15,000	11,711,680	1,812,137	337,648	34,535	4,404	53,739	9,898	223,656	23,639
$15,000 under $20,000	10,937,694	3,085,853	1,036,307	258,485	70,167	32,616	3,141	1,294,236	355,340
$20,000 under $25,000	9,912,261	4,290,763	2,282,688	424,355	219,309	9,932	1,211	2,066,202	1,026,261
$25,000 under $30,000	8,749,761	3,569,803	2,942,500	456,804	300,522	--	--	2,147,348	1,545,132
$30,000 under $40,000	14,151,824	5,849,213	5,687,787	757,388	477,339	--	--	3,670,668	3,604,360
$40,000 under $50,000	10,687,193	4,699,854	5,610,678	587,976	314,945	--	--	3,057,747	4,033,045
$50,000 under $75,000	18,854,917	8,424,127	13,016,392	1,351,595	723,722	--	--	6,098,909	9,839,487
$75,000 under $100,000	11,140,408	5,877,571	9,758,876	1,059,945	556,015	--	--	4,053,416	7,001,516
$100,000 under $200,000	12,088,423	5,757,978	6,622,352	1,263,315	678,382	--	--	3,119,295	4,307,293
$200,000 under $500,000	3,121,485	1,327,157	2,329,368	236,082	121,568	--	--	1,393	1,243
$500,000 under $1,000,000	589,306	342,863	1,744,714	** 35,682	** 20,034	--	--	--	--
$1,000,000 under $1,500,000	150,431	96,453	941,955	**	**	--	--	--	--
$1,500,000 under $2,000,000	64,007	43,087	628,879	**	**	--	--	--	--
$2,000,000 under $5,000,000	98,724	69,452	1,820,947	**	**	--	--	--	--
$5,000,000 under $10,000,000	24,975	18,816	1,038,960	**	**	--	--	--	--
$10,000,000 or more	15,956	12,972	3,084,408	**	**	--	--	--	--
Taxable returns, total	**92,740,927**	**32,144,174**	**45,827,577**	**4,355,890**	**2,246,696**	**55,360**	**8,278**	**16,167,659**	**24,080,565**
No adjusted gross income	6,301	2,191	2,860	* 4	* 5	** 301	** 220	1,559	2,309
$1 under $5,000	856,788	110,490	2,647	--	--	--	--	* 243	* 348
$5,000 under $10,000	3,368,135	115,892	4,095	--	--	**	**	--	--
$10,000 under $15,000	5,775,871	952,539	104,192	--	--	23,753	4,825	--	--
$15,000 under $20,000	5,720,555	845,859	187,853	--	--	24,653	2,540	* 1,676	* 1,679
$20,000 under $25,000	5,853,087	1,314,914	487,409	* 2,688	* 796	* 6,653	* 694	39,173	39,171
$25,000 under $30,000	5,777,215	1,095,545	824,139	16,078	8,522	--	--	229,990	229,891
$30,000 under $40,000	11,156,227	3,273,244	2,796,594	254,054	126,187	--	--	1,501,243	1,634,412
$40,000 under $50,000	9,329,664	3,516,647	3,698,484	357,791	163,208	--	--	2,019,147	2,650,128
$50,000 under $75,000	17,817,863	7,529,272	11,024,276	1,160,792	595,312	--	--	5,321,796	8,464,256
$75,000 under $100,000	10,981,207	5,754,917	9,359,375	1,035,801	538,035	--	--	3,951,427	6,774,211
$100,000 under $200,000	12,041,382	5,726,324	6,423,109	1,257,008	673,064	--	--	3,100,016	4,282,920
$200,000 under $500,000	3,115,244	1,323,901	2,120,317	236,005	121,535	--	--	* 1,389	* 1,239
$500,000 under $1,000,000	588,046	342,110	1,617,115	** 35,670	** 20,032	--	--	--	--
$1,000,000 or more	353,341	240,329	7,175,113	**	**	--	--	--	--
Nontaxable returns, total	**45,653,826**	**13,947,327**	**13,111,394**	**2,110,902**	**1,239,941**	**42,901**	**6,293**	**9,573,852**	**7,660,986**

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits--continued									
	Education credit		Retirement savings contribution credit		Residential energy credits		Adoption credit		Earned income credit used to offset income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
All returns, total	**7,725,138**	**7,022,420**	**5,192,133**	**893,957**	**4,344,189**	**1,000,149**	**93,369**	**351,184**	**2,960,172**	**797,162**
No adjusted gross income	** 517	** 327	273	92	**	**	* 38	* 57	* 9	* 3
$1 under $5,000	**	**	* 106	* 106	--	--	--	--	* 637	* 90
$5,000 under $10,000	86,557	8,246	43,737	2,886	** 3,019	** 35	--	--	447,503	32,357
$10,000 under $15,000	497,570	172,644	259,377	60,963	33,268	3,985	--	--	642,247	54,465
$15,000 under $20,000	695,625	425,403	608,572	84,049	59,955	8,809	* 1,007	* 371	212,941	76,138
$20,000 under $25,000	740,224	594,529	1,184,202	197,554	102,428	19,552	* 1,098	* 456	398,815	202,245
$25,000 under $30,000	637,674	550,663	631,116	161,471	123,740	28,143	* 1,632	* 1,568	727,259	316,809
$30,000 under $40,000	1,229,482	1,120,372	1,296,260	196,164	374,836	73,888	9,551	11,922	530,760	115,055
$40,000 under $50,000	841,353	847,007	1,167,867	190,627	399,364	86,920	12,547	18,967	--	--
$50,000 under $75,000	1,570,901	1,705,504	* 625	* 44	1,074,168	239,835	30,625	98,193	--	--
$75,000 under $100,000	1,274,749	1,526,097	--	--	856,555	192,403	16,623	64,195	--	--
$100,000 under $200,000	150,487	71,628	--	--	1,054,189	266,052	19,439	150,208	--	--
$200,000 under $500,000	--	--	--	--	223,150	66,919	** 809	** 5,248	--	--
$500,000 under $1,000,000	--	--	--	--	** 39,515	** 13,610	**	**	--	--
$1,000,000 under $1,500,000	--	--	--	--	**	**	**	**	--	--
$1,500,000 under $2,000,000	--	--	--	--	**	**	--	--	--	--
$2,000,000 under $5,000,000	--	--	--	--	**	**	**	**	--	--
$5,000,000 under $10,000,000	--	--	--	--	**	**	--	--	--	--
$10,000,000 or more	--	--	--	--	**	**	--	--	--	--
Taxable returns, total	**5,453,195**	**5,098,239**	**3,152,302**	**489,012**	**4,070,368**	**940,565**	**34,564**	**144,994**	**1,191,208**	**275,639**
No adjusted gross income	** 253	** 208	213	73	**	**	--	--	* 9	* 3
$1 under $5,000	**	**	* 106	* 106	--	--	--	--	--	--
$5,000 under $10,000	* 3,924	* 366	* 6,934	* 286	** 10	** 3	--	--	11,547	952
$10,000 under $15,000	139,297	25,611	137,935	24,522	20,750	2,392	--	--	558,692	42,714
$15,000 under $20,000	306,595	125,335	405,902	44,279	43,541	7,605	--	--	* 937	* 348
$20,000 under $25,000	441,590	332,009	716,631	86,421	73,148	13,400	--	--	* 3,608	* 2,746
$25,000 under $30,000	383,591	336,897	185,108	58,113	95,435	20,061	--	--	264,672	153,664
$30,000 under $40,000	819,391	720,906	817,493	127,026	306,953	60,987	* 1,000	* 482	351,743	75,212
$40,000 under $50,000	618,667	582,905	881,356	148,141	348,933	75,059	* 2,044	* 2,848	--	--
$50,000 under $75,000	1,353,339	1,429,892	* 625	* 44	1,016,862	224,321	* 7,779	* 13,045	--	--
$75,000 under $100,000	1,237,394	1,473,289	--	--	849,241	190,834	8,747	16,339	--	--
$100,000 under $200,000	149,154	70,820	--	--	1,052,860	265,387	14,203	107,297	--	--
$200,000 under $500,000	--	--	--	--	223,125	66,910	** 791	** 4,983	--	--
$500,000 under $1,000,000	--	--	--	--	** 39,509	** 13,605	--	--	--	--
$1,000,000 or more	--	--	--	--	**	**	**	**	--	--
Nontaxable returns, total	**2,271,942**	**1,924,182**	**2,039,831**	**404,945**	**273,821**	**59,585**	**58,804**	**206,190**	**1,768,964**	**521,523**

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits--continued									
	Minimum tax credit		Foreign tax credit		General business credit		Empowerment zone and community renewal credit		Other tax credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
All returns, total	**359,098**	**1,032,247**	**6,418,317**	**10,958,470**	**386,681**	**1,302,464**	**32,209**	**120,603**	**79,911**	**168,593**
No adjusted gross income	–	–	151	13	–	–	43	26	* 14	* 113
$1 under $5,000	–	–	125,978	2,391	–	–	–	–	–	–
$5,000 under $10,000	* 727	* 42	95,754	2,666	* 1,949	* 199	* 1,299	* 44	* 650	* 6
$10,000 under $15,000	* 634	* 64	122,013	6,335	* 3,913	* 832	–	–	** 1,614	** 419
$15,000 under $20,000	* 631	* 109	122,772	10,332	* 1,611	* 2,239	–	–	**	**
$20,000 under $25,000	5,532	3,061	143,642	14,044	* 1,911	* 1,299	–	–	* 4,013	* 2,070
$25,000 under $30,000	4,233	2,701	155,818	23,334	8,029	5,533	–	–	* 827	* 637
$30,000 under $40,000	4,226	4,406	312,213	45,483	21,404	28,636	–	–	* 1,725	* 2,805
$40,000 under $50,000	8,417	16,095	361,082	41,338	21,256	37,756	* 625	* 618	9,492	14,183
$50,000 under $75,000	26,071	20,291	952,000	206,183	65,719	133,501	* 2,049	* 3,511	16,717	28,418
$75,000 under $100,000	34,659	38,395	854,194	214,073	66,524	128,993	* 2,081	* 6,939	16,552	25,753
$100,000 under $200,000	163,170	165,391	1,708,249	754,929	114,331	178,259	4,865	9,765	19,902	38,296
$200,000 under $500,000	55,347	140,800	960,785	1,920,006	24,042	44,805	** 21,246	** 99,701	5,020	6,926
$500,000 under $1,000,000	34,495	159,886	288,317	1,432,537	24,827	102,599	**	**	** 3,386	** 48,966
$1,000,000 under $1,500,000	8,887	110,331	84,665	739,541	9,788	70,010	**	**	**	**
$1,500,000 under $2,000,000	3,635	60,006	38,493	494,282	5,446	63,183	**	**	**	**
$2,000,000 under $5,000,000	5,976	155,298	62,732	1,471,381	10,008	167,716	**	**	**	**
$5,000,000 under $10,000,000	1,570	69,269	17,310	839,138	3,275	111,007	**	**	**	**
$10,000,000 or more	887	86,103	12,151	2,740,464	2,649	225,896	**	**	**	**
Taxable returns, total	**338,391**	**987,308**	**6,207,200**	**10,014,389**	**349,510**	**1,240,829**	**29,574**	**114,558**	**73,655**	**152,082**
No adjusted gross income	–	–	* 74	* 5	–	–	43	26	* 9	* 15
$1 under $5,000	–	–	110,247	2,187	–	–	–	–	–	–
$5,000 under $10,000	–	–	91,537	2,474	* 650	* 1	* 650	* 10	* 650	* 6
$10,000 under $15,000	**	**	102,035	3,832	* 1,097	* 2	–	–	* 1,000	* 294
$15,000 under $20,000	–	–	113,014	6,068	–	–	–	–	–	–
$20,000 under $25,000	** 1,241	** 650	128,585	8,222	* 982	* 1,229	–	–	* 4,013	* 2,070
$25,000 under $30,000	* 1,275	* 278	134,034	12,684	* 4,004	* 1,758	–	–	* 787	* 610
$30,000 under $40,000	* 3,187	* 2,779	278,430	24,416	11,939	16,006	–	–	* 1,645	* 2,645
$40,000 under $50,000	5,655	7,352	338,418	29,772	15,210	24,889	–	–	* 6,232	* 6,660
$50,000 under $75,000	22,933	15,853	910,829	136,229	56,418	107,562	* 1,748	* 1,829	14,842	23,510
$75,000 under $100,000	33,106	36,996	841,228	169,369	65,221	127,132	* 1,027	* 3,286	16,494	25,386
$100,000 under $200,000	160,740	161,851	1,698,446	636,817	114,091	177,758	4,865	9,765	19,594	35,281
$200,000 under $500,000	54,948	131,351	957,816	1,721,454	23,931	44,312	** 21,241	** 99,643	5,006	6,790
$500,000 under $1,000,000	34,400	155,005	287,600	1,310,063	24,808	102,370	**	**	** 3,383	** 48,814
$1,000,000 or more	20,906	475,192	214,909	5,950,797	31,160	637,811	**	**	**	**
Nontaxable returns, total	**20,706**	**44,940**	**211,117**	**944,081**	**37,171**	**61,634**	**2,635**	**6,045**	**6,256**	**16,511**

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Income tax after credits		Total income tax		All other taxes					
					Total		Penalty tax on qualified retirement plans		Self-employment tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All returns, total	**92,740,926**	**1,023,916,399**	**92,740,927**	**1,023,920,139**	**22,616,201**	**53,821,990**	**5,148,030**	**4,347,720**	**17,074,708**	**47,842,244**
No adjusted gross income	6,301	181,211	6,301	181,211	274,498	513,983	37,401	55,284	227,919	426,829
$1 under $5,000	856,788	88,684	856,788	88,684	1,350,300	635,544	90,714	15,289	1,223,200	593,978
$5,000 under $10,000	3,368,135	654,390	3,368,135	654,390	1,942,922	1,794,289	144,235	46,450	1,751,376	1,728,692
$10,000 under $15,000	5,775,871	2,373,130	5,775,871	2,373,130	1,940,919	2,528,050	190,304	55,012	1,714,841	2,453,102
$15,000 under $20,000	5,720,555	4,759,278	5,720,555	4,759,278	1,442,821	2,038,165	254,414	76,469	1,154,425	1,949,281
$20,000 under $25,000	5,853,087	7,501,691	5,853,087	7,501,691	1,172,082	1,757,227	289,699	97,668	850,630	1,649,327
$25,000 under $30,000	5,777,215	10,396,566	5,777,215	10,396,566	1,048,195	1,840,000	253,822	94,758	776,607	1,732,300
$30,000 under $40,000	11,156,227	27,293,090	11,156,227	27,293,090	1,901,028	3,192,333	575,878	276,063	1,300,938	2,895,477
$40,000 under $50,000	9,329,664	32,509,507	9,329,664	32,509,507	1,646,372	3,043,529	494,671	303,670	1,138,138	2,713,697
$50,000 under $75,000	17,817,863	94,443,384	17,817,863	94,443,395	3,296,269	6,833,857	1,110,130	848,562	2,175,980	5,918,754
$75,000 under $100,000	10,981,207	90,019,371	10,981,207	90,019,371	2,316,893	5,861,893	770,091	738,691	1,504,737	5,072,370
$100,000 under $200,000	12,041,382	209,381,101	12,041,382	209,381,101	2,852,443	10,788,086	785,695	1,271,887	2,035,499	9,334,868
$200,000 under $500,000	3,115,243	177,041,085	3,115,244	177,041,086	1,028,307	7,016,379	130,846	414,780	866,406	6,359,989
$500,000 under $1,000,000	588,046	94,213,951	588,046	94,213,951	240,680	2,456,259	13,158	35,326	215,205	2,283,778
$1,000,000 under $1,500,000	150,100	44,125,182	150,100	44,125,224	63,421	812,116	3,177	8,325	55,824	745,609
$1,500,000 under $2,000,000	63,863	26,720,695	63,863	26,721,295	29,440	448,666	1,332	2,826	25,190	397,857
$2,000,000 under $5,000,000	98,525	71,645,509	98,525	71,647,095	47,389	1,063,849	1,801	4,317	40,088	901,389
$5,000,000 under $10,000,000	24,924	39,556,521	24,924	39,556,521	12,902	399,273	411	999	10,478	273,086
$10,000,000 or more	15,929	91,012,054	15,929	91,013,554	9,321	798,488	252	1,344	7,226	411,863
Taxable returns, total	**92,740,926**	**1,023,916,399**	**92,740,927**	**1,023,920,139**	**14,629,554**	**42,527,052**	**4,110,643**	**3,910,881**	**10,207,763**	**37,162,491**
No adjusted gross income	6,301	181,211	6,301	181,211	2,092	20,303	241	1,434	1,793	17,164
$1 under $5,000	856,788	88,684	856,788	88,684	31,217	5,220	7,974	1,396	21,081	3,571
$5,000 under $10,000	3,368,135	654,390	3,368,135	654,390	178,501	110,572	23,635	15,245	143,404	94,224
$10,000 under $15,000	5,775,871	2,373,130	5,775,871	2,373,130	500,349	532,493	72,972	18,165	411,784	508,836
$15,000 under $20,000	5,720,555	4,759,278	5,720,555	4,759,278	568,312	718,295	136,541	43,713	411,641	670,311
$20,000 under $25,000	5,853,087	7,501,691	5,853,087	7,501,691	588,697	755,588	147,256	47,199	412,395	705,729
$25,000 under $30,000	5,777,215	10,396,566	5,777,215	10,396,566	563,145	816,086	147,412	54,790	394,837	758,447
$30,000 under $40,000	11,156,227	27,293,090	11,156,227	27,293,090	1,324,803	1,970,169	424,749	205,173	864,588	1,757,822
$40,000 under $50,000	9,329,664	32,509,507	9,329,664	32,509,507	1,331,364	2,312,477	416,654	262,136	890,970	2,032,324
$50,000 under $75,000	17,817,863	94,443,384	17,817,863	94,443,395	3,004,113	5,961,736	1,040,633	796,558	1,943,912	5,115,746
$75,000 under $100,000	10,981,207	90,019,371	10,981,207	90,019,371	2,270,227	5,667,677	757,650	728,647	1,469,909	4,890,958
$100,000 under $200,000	12,041,382	209,381,101	12,041,382	209,381,101	2,837,290	10,682,122	784,165	1,269,265	2,022,621	9,246,617
$200,000 under $500,000	3,115,243	177,041,085	3,115,244	177,041,086	1,026,777	7,001,942	130,672	414,250	865,192	6,351,144
$500,000 under $1,000,000	588,046	94,213,951	588,046	94,213,951	240,385	2,453,375	13,134	35,297	214,972	2,282,067
$1,000,000 or more	353,341	273,059,961	353,341	273,063,689	162,283	3,518,997	6,957	17,613	138,664	2,727,530
Nontaxable returns, total	--	--	--	--	**7,986,646**	**11,294,938**	**1,037,386**	**436,839**	**6,866,945**	**10,679,754**

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	All other taxes--continued				Earned income credit used to offset other taxes		Total tax liability		Tax payments	
	Social security taxes on tip income		Household employment tax						Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)
All returns, total	**355,457**	**73,109**	**225,441**	**917,524**	**4,874,407**	**4,518,182**	**96,815,936**	**1,071,872,816**	**133,577,700**	**1,189,243,053**
No adjusted gross income	3,010	1,820	8,054	25,352	99,751	59,979	234,675	605,713	2,091,933	3,057,365
$1 under $5,000	33,592	2,162	* 4,972	* 23,652	632,493	195,178	1,961,072	522,445	9,806,598	2,010,493
$5,000 under $10,000	48,734	7,064	* 1,017	* 11,505	1,329,882	927,439	4,273,801	1,507,457	10,850,924	4,986,618
$10,000 under $15,000	47,030	13,614	2,027	5,189	1,137,179	1,472,211	6,162,879	3,401,938	11,084,693	9,062,741
$15,000 under $20,000	28,815	8,693	* 10	* 109	585,303	852,734	6,030,067	5,882,011	10,602,199	13,397,440
$20,000 under $25,000	22,900	2,879	3,828	5,744	426,698	506,835	6,069,837	8,616,321	9,761,499	17,531,549
$25,000 under $30,000	17,170	2,733	2,696	7,922	349,837	338,544	5,996,355	11,670,718	8,640,262	20,664,534
$30,000 under $40,000	28,115	3,870	4,569	12,809	313,265	165,263	11,449,525	29,955,773	14,063,203	47,622,449
$40,000 under $50,000	27,703	7,307	7,770	15,720	--	--	9,520,537	35,318,058	10,636,008	50,848,602
$50,000 under $75,000	34,382	7,669	18,590	48,344	--	--	17,992,950	101,071,554	18,799,091	131,428,282
$75,000 under $100,000	24,760	2,543	12,773	21,400	--	--	11,011,908	95,846,923	11,119,289	116,630,450
$100,000 under $200,000	32,619	10,659	44,609	146,469	--	--	12,053,684	220,160,149	12,067,238	232,587,861
$200,000 under $500,000	6,000	1,628	59,457	208,996	--	--	3,116,774	184,057,465	3,113,887	172,568,275
$500,000 under $1,000,000	408	260	24,131	122,850	--	--	588,341	96,670,210	587,651	89,986,092
$1,000,000 under $1,500,000	* 75	* 42	8,856	43,811	--	--	150,168	44,937,341	150,016	42,154,442
$1,500,000 under $2,000,000	* 69	* 96	5,149	33,687	--	--	63,899	27,169,961	63,821	26,009,747
$2,000,000 under $5,000,000	67	57	9,910	71,003	--	--	98,582	72,710,944	98,510	69,623,527
$5,000,000 under $10,000,000	* 6	* 1	3,591	38,797	--	--	24,945	39,955,794	24,945	40,529,166
$10,000,000 or more	* 3	* 12	3,433	74,166	--	--	15,936	91,812,042	15,934	98,543,421
Taxable returns, total	**188,291**	**40,785**	**198,303**	**784,303**	**--**	**--**	**92,735,610**	**1,066,446,822**	**91,370,329**	**1,143,475,027**
No adjusted gross income	--	--	111	1,579	--	--	6,301	201,513	6,181	268,964
$1 under $5,000	* 1,650	* 247	--	--	--	--	856,788	93,905	366,260	59,937
$5,000 under $10,000	* 8,998	* 942	--	--	--	--	3,368,135	764,961	3,138,951	1,586,708
$10,000 under $15,000	11,303	3,984	* 528	* 1,271	--	--	5,775,871	2,905,623	5,558,388	5,313,516
$15,000 under $20,000	10,943	3,347	--	--	--	--	5,720,555	5,477,573	5,597,595	8,369,064
$20,000 under $25,000	9,973	990	* 1,623	* 613	--	--	5,853,087	8,257,279	5,782,593	11,699,662
$25,000 under $30,000	9,635	782	* 998	* 230	--	--	5,777,215	11,212,652	5,718,134	15,293,072
$30,000 under $40,000	17,598	1,983	* 2,283	* 1,912	--	--	11,155,220	29,263,215	11,101,204	40,850,492
$40,000 under $50,000	24,109	6,173	6,176	8,984	--	--	9,328,654	34,821,983	9,292,000	46,431,619
$50,000 under $75,000	30,389	7,178	17,422	32,467	--	--	17,815,579	100,404,809	17,775,183	126,855,523
$75,000 under $100,000	24,455	2,410	12,056	18,794	--	--	10,981,207	95,687,047	10,963,057	115,573,457
$100,000 under $200,000	32,619	10,659	42,892	131,556	--	--	12,040,368	220,063,222	12,022,421	232,022,522
$200,000 under $500,000	5,993	1,624	59,235	204,043	--	--	3,115,244	184,043,028	3,109,052	172,441,632
$500,000 under $1,000,000	408	260	24,086	122,071	--	--	588,046	96,667,326	586,687	89,935,105
$1,000,000 or more	220	207	30,892	260,784	--	--	353,341	276,582,686	352,622	276,773,754
Nontaxable returns, total	**167,166**	**32,323**	**27,138**	**133,222**	**4,874,407**	**4,518,182**	**4,080,325**	**5,425,994**	**42,207,371**	**45,768,026**

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax payments--continued									
	Income tax withheld		Estimated tax payments		Additional child tax credit		Payments with request for extension of filing time		Excess social security taxes withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)
All returns, total	**120,500,889**	**843,094,979**	**11,128,072**	**252,998,613**	**15,590,592**	**16,248,889**	**1,758,125**	**86,530,919**	**1,443,437**	**2,288,806**
No adjusted gross income	543,659	1,537,951	121,921	1,193,395	191,526	333,488	25,596	221,047	5,014	9,239
$1 under $5,000	8,148,662	1,593,602	148,746	244,089	61,269	55,604	62,136	34,423	* 494	* 2,125
$5,000 under $10,000	9,042,344	4,342,997	222,499	364,730	105,902	95,921	43,858	50,702	* 73	* 248
$10,000 under $15,000	9,262,164	8,124,226	302,534	568,385	2,367,863	783,794	39,539	62,941	* 1,000	* 930
$15,000 under $20,000	9,460,396	12,314,252	372,614	694,208	3,137,032	2,584,575	50,622	85,804	* 1,232	* 4,498
$20,000 under $25,000	9,025,994	16,259,759	384,908	894,306	2,961,453	3,262,558	40,776	89,643	* 811	* 1,722
$25,000 under $30,000	8,070,267	19,231,986	416,191	1,081,420	2,102,992	2,741,593	43,610	93,687	1,355	2,119
$30,000 under $40,000	13,309,957	44,568,272	786,319	2,405,596	2,445,860	3,422,949	78,137	212,336	1,268	1,759
$40,000 under $50,000	10,140,720	47,309,404	815,170	2,998,942	1,183,472	1,596,862	72,697	179,722	796	566
$50,000 under $75,000	17,914,569	120,696,792	1,910,619	9,295,866	890,653	1,175,910	181,272	726,260	12,516	8,337
$75,000 under $100,000	10,637,829	105,000,357	1,464,943	10,231,775	116,758	156,629	158,898	890,356	123,612	44,592
$100,000 under $200,000	11,393,266	197,436,470	2,352,445	30,166,318	25,807	39,005	375,823	3,480,153	818,639	965,048
$200,000 under $500,000	2,769,579	118,189,232	1,238,076	45,296,907	* 5	* 3	329,319	8,077,124	371,658	854,933
$500,000 under $1,000,000	492,587	49,541,540	338,907	32,359,619	--	--	125,215	7,817,533	65,153	230,919
$1,000,000 under $1,500,000	122,881	19,858,154	101,749	17,101,762	--	--	43,596	5,120,226	16,374	64,017
$1,500,000 under $2,000,000	51,516	10,929,349	45,654	11,259,484	--	--	22,574	3,789,829	6,907	26,995
$2,000,000 under $5,000,000	80,304	27,490,291	71,876	29,568,901	--	--	41,253	12,506,564	11,297	47,536
$5,000,000 under $10,000,000	20,736	14,132,192	19,599	17,074,056	--	--	13,134	9,304,684	3,204	14,032
$10,000,000 or more	13,459	24,538,153	13,302	40,198,855	--	--	10,068	33,787,884	2,034	9,191
Taxable returns, total	**85,968,447**	**803,651,494**	**10,008,399**	**248,617,510**	**5,503**	**11,422**	**1,586,183**	**86,012,496**	**1,428,765**	**2,262,757**
No adjusted gross income	4,445	63,200	1,513	115,789	--	--	605	89,131	91	254
$1 under $5,000	323,679	41,384	18,030	11,376	--	--	27,894	7,095	--	--
$5,000 under $10,000	3,049,587	1,509,808	42,085	48,575	--	--	21,594	16,572	* 3	* 17
$10,000 under $15,000	4,951,374	4,928,630	170,208	263,357	--	--	23,156	31,040	--	--
$15,000 under $20,000	5,112,670	7,791,102	250,509	418,589	--	--	35,458	50,236	* 288	* 1,653
$20,000 under $25,000	5,356,548	10,897,892	293,840	615,695	--	--	29,388	56,180	* 96	* 24
$25,000 under $30,000	5,349,839	14,260,829	334,391	828,681	--	--	31,909	69,451	* 329	* 69
$30,000 under $40,000	10,543,104	38,337,874	696,368	2,038,981	* 1,047	* 3,149	66,588	175,648	* 967	* 423
$40,000 under $50,000	8,885,268	43,342,491	736,730	2,640,501	* 1,011	* 3,837	64,980	155,785	* 519	* 284
$50,000 under $75,000	16,982,694	116,698,423	1,845,504	8,829,281	** 2,431	** 1,219	170,604	672,615	10,131	6,484
$75,000 under $100,000	10,500,272	104,119,127	1,449,748	10,096,301	**	**	156,086	860,260	122,538	42,337
$100,000 under $200,000	11,361,276	197,066,418	2,342,769	29,995,521	* 1,015	* 3,217	373,337	3,458,541	817,411	964,195
$200,000 under $500,000	2,767,030	118,138,382	1,236,283	45,231,074	--	--	328,941	8,067,774	371,488	854,538
$500,000 under $1,000,000	492,074	49,526,026	338,541	32,330,642	--	--	125,109	7,811,240	65,112	230,828
$1,000,000 or more	288,587	96,929,909	251,880	115,153,147	--	--	130,536	64,490,928	39,792	161,652
Nontaxable returns, total	**34,532,443**	**39,443,485**	**1,119,673**	**4,381,103**	**15,585,088**	**16,237,467**	**171,941**	**518,424**	**14,672**	**26,050**

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax payments--continued						Earned income credit refundable portion		Federal telephone excise tax credit	
	Credit for Federal tax on gasoline and special fuels		Credit from regulated investment companies		Health coverage credit					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)
All returns, total	**318,754**	**85,905**	**84,547**	**52,199**	**22,397**	**27,567**	**20,268,821**	**39,072,222**	**96,873,353**	**4,164,063**
No adjusted gross income	22,881	6,329	684	362	* 30	* 220	137,223	126,381	1,903,631	88,822
$1 under $5,000	11,104	2,745	--	--	--	--	2,512,414	1,622,141	3,584,433	133,508
$5,000 under $10,000	13,546	3,337	* 1,299	* 21	* 1,055	* 996	4,240,682	6,688,442	5,670,531	223,587
$10,000 under $15,000	20,342	20,943	* 3,834	* 773	* 2,944	* 3,012	3,731,353	11,214,308	7,034,712	281,531
$15,000 under $20,000	24,358	5,858	* 1,632	* 1,464	* 2,288	* 4,590	3,147,195	9,212,446	7,058,989	286,765
$20,000 under $25,000	24,065	4,592	* 1,254	* 258	--	--	2,922,994	6,218,585	6,775,377	281,270
$25,000 under $30,000	18,714	3,448	* 1,278	* 439	* 2,646	* 1,974	2,117,333	2,959,402	6,045,308	249,460
$30,000 under $40,000	39,784	6,119	6,216	1,694	* 2,928	* 2,249	1,459,628	1,030,518	10,388,101	424,424
$40,000 under $50,000	28,361	5,734	* 2,506	* 190	* 631	* 597	--	--	8,438,148	353,446
$50,000 under $75,000	54,087	9,726	10,142	5,273	* 6,089	* 7,462	--	--	15,568,233	678,567
$75,000 under $100,000	30,374	5,481	4,690	1,401	* 3,311	* 4,781	--	--	9,677,565	451,706
$100,000 under $200,000	19,262	3,861	30,941	10,700	* 434	* 1,435	--	--	10,927,095	523,876
$200,000 under $500,000	7,857	2,623	12,059	4,772	--	--	--	--	2,915,943	142,684
$500,000 under $1,000,000	2,109	1,573	4,582	7,088	* 40	* 252	--	--	552,340	27,567
$1,000,000 under $1,500,000	566	509	1,164	2,625	--	--	--	--	142,056	7,150
$1,500,000 under $2,000,000	287	703	627	421	--	--	--	--	60,503	2,965
$2,000,000 under $5,000,000	568	764	1,032	4,916	--	--	--	--	91,940	4,556
$5,000,000 under $10,000,000	231	661	350	2,328	--	--	--	--	23,512	1,212
$10,000,000 or more	257	898	256	7,472	--	--	--	--	14,936	968
Taxable returns, total	**198,664**	**39,983**	**76,406**	**48,949**	**17,710**	**19,760**	**--**	**--**	**68,297,214**	**2,822,078**
No adjusted gross income	52	224	15	13	--	--	--	--	5,683	354
$1 under $5,000	--	--	--	--	--	--	--	--	* 2,541	* 82
$5,000 under $10,000	* 2,602	* 193	* 650	* 17	--	--	--	--	340,476	11,526
$10,000 under $15,000	4,143	481	* 637	* 4	* 1,000	* 325	--	--	2,837,578	89,679
$15,000 under $20,000	6,394	910	--	--	* 631	* 686	--	--	3,322,786	105,889
$20,000 under $25,000	12,727	2,275	--	--	--	--	--	--	3,743,531	127,595
$25,000 under $30,000	10,898	1,376	* 1,249	* 133	* 2,646	* 1,974	--	--	3,837,728	130,559
$30,000 under $40,000	28,693	4,388	* 5,587	* 1,674	* 2,928	* 2,249	--	--	8,001,551	289,254
$40,000 under $50,000	21,697	4,509	* 2,506	* 190	* 631	* 597	--	--	7,301,466	287,262
$50,000 under $75,000	50,288	8,639	10,139	5,273	* 6,089	* 7,462	--	--	14,675,485	627,346
$75,000 under $100,000	30,077	5,469	4,666	1,393	* 3,311	* 4,781	--	--	9,542,410	443,789
$100,000 under $200,000	19,250	3,844	30,931	10,698	* 434	* 1,435	--	--	10,889,684	521,871
$200,000 under $500,000	7,833	2,601	12,028	4,756	--	--	--	--	2,912,168	142,508
$500,000 under $1,000,000	2,106	1,543	4,571	7,039	* 40	* 252	--	--	551,642	27,536
$1,000,000 or more	1,906	3,531	3,426	17,760	--	--	--	--	332,486	16,827
Nontaxable returns, total	**120,090**	**45,922**	**8,141**	**3,250**	*** 4,687**	*** 7,807**	**20,268,821**	**39,072,222**	**28,576,138**	**1,341,985**

Footnotes at end of table.

Table 3.3--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
	Total		Refunded		Credited to 2007 estimated tax					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)
All returns, total	**109,915,823**	**295,796,995**	**107,001,071**	**250,941,390**	**3,978,421**	**44,855,606**	**26,694,105**	**126,289,889**	**6,496,924**	**1,770,962**
No adjusted gross income	2,097,577	3,171,882	2,036,981	2,587,142	75,641	584,740	146,148	295,209	38,023	5,345
$1 under $5,000	9,342,616	3,528,564	9,280,210	3,464,671	78,690	63,892	1,525,770	373,785	23,221	1,417
$5,000 under $10,000	10,231,326	10,979,390	10,162,954	10,904,118	95,296	75,272	1,295,658	744,897	154,714	8,241
$10,000 under $15,000	10,139,760	18,615,945	10,057,125	18,478,374	115,242	137,570	1,456,103	1,009,385	241,155	16,647
$15,000 under $20,000	9,599,099	20,401,353	9,485,966	20,199,416	158,669	201,937	1,275,723	1,182,821	223,795	18,721
$20,000 under $25,000	8,550,466	19,505,984	8,452,755	19,328,517	140,055	177,467	1,339,787	1,283,123	251,210	20,530
$25,000 under $30,000	7,393,366	15,922,155	7,286,524	15,728,664	150,480	193,490	1,341,929	1,483,473	263,321	24,420
$30,000 under $40,000	11,883,314	24,681,511	11,693,933	24,252,130	275,283	429,380	2,251,033	2,979,998	496,378	47,568
$40,000 under $50,000	8,492,916	20,392,015	8,324,354	19,895,541	252,840	496,475	2,181,048	3,557,999	531,592	57,402
$50,000 under $75,000	14,358,673	40,520,496	13,964,304	39,386,837	564,188	1,133,659	4,465,446	9,330,748	1,134,001	135,514
$75,000 under $100,000	8,343,244	28,719,625	8,007,959	27,181,289	473,817	1,538,336	2,786,425	7,930,562	823,782	116,752
$100,000 under $200,000	7,601,496	34,868,173	7,011,750	31,026,983	800,836	3,841,190	4,466,245	22,698,609	1,371,370	288,114
$200,000 under $500,000	1,422,419	14,702,311	1,031,908	8,783,136	497,394	5,919,175	1,683,970	26,578,547	686,992	387,049
$500,000 under $1,000,000	269,394	7,428,893	136,081	2,788,201	158,714	4,640,692	316,639	14,323,612	160,172	210,600
$1,000,000 under $1,500,000	72,818	3,952,383	28,868	1,159,524	50,822	2,792,859	76,776	6,828,434	42,743	93,152
$1,500,000 under $2,000,000	33,051	2,654,532	11,978	718,106	24,199	1,936,426	30,636	3,864,073	17,282	49,327
$2,000,000 under $5,000,000	55,990	7,479,427	18,898	1,682,960	42,978	5,796,467	42,254	10,719,392	27,150	152,548
$5,000,000 under $10,000,000	16,490	4,882,242	5,109	1,032,560	13,257	3,849,682	8,400	4,358,202	6,301	49,332
$10,000,000 or more	11,809	13,390,114	3,415	2,343,218	10,019	11,046,896	4,113	6,747,018	3,721	88,284
Taxable returns, total	**68,624,895**	**198,664,295**	**66,060,113**	**155,239,335**	**3,460,433**	**43,424,961**	**23,999,118**	**123,342,331**	**5,901,325**	**1,711,861**
No adjusted gross income	4,214	151,290	2,756	65,396	1,553	85,893	2,082	84,788	759	949
$1 under $5,000	243,382	38,159	227,509	31,575	16,547	6,584	603,122	72,158	* 137	* 6
$5,000 under $10,000	2,731,303	1,024,479	2,717,948	1,011,932	15,185	12,547	627,566	204,710	35,667	1,583
$10,000 under $15,000	4,554,574	3,090,358	4,499,331	3,026,987	71,226	63,371	1,212,669	693,132	149,028	10,010
$15,000 under $20,000	4,609,037	3,822,485	4,533,538	3,727,215	98,068	95,271	1,108,574	944,961	156,100	13,224
$20,000 under $25,000	4,629,313	4,534,958	4,552,160	4,443,261	101,256	91,697	1,221,439	1,109,496	199,130	15,967
$25,000 under $30,000	4,559,124	5,304,629	4,475,981	5,163,942	115,582	140,687	1,212,865	1,243,358	211,876	19,112
$30,000 under $40,000	9,038,938	14,201,028	8,877,372	13,857,390	233,130	343,639	2,112,297	2,649,626	432,054	38,978
$40,000 under $50,000	7,216,589	14,922,949	7,070,654	14,517,195	219,339	405,754	2,107,158	3,361,944	492,032	51,525
$50,000 under $75,000	13,403,831	35,350,641	13,025,072	34,326,466	534,305	1,024,175	4,393,376	9,029,361	1,097,866	128,653
$75,000 under $100,000	8,198,243	27,630,770	7,869,272	26,155,416	465,026	1,475,355	2,773,340	7,858,696	814,710	114,336
$100,000 under $200,000	7,560,256	34,349,964	6,976,914	30,563,605	793,520	3,786,358	4,462,448	22,674,871	1,367,989	287,423
$200,000 under $500,000	1,417,986	14,587,180	1,028,335	8,700,345	496,215	5,886,835	1,683,502	26,575,467	686,698	386,890
$500,000 under $1,000,000	268,511	7,380,299	135,410	2,757,528	158,432	4,622,772	316,545	14,323,102	160,118	210,582
$1,000,000 or more	189,594	32,275,105	67,864	6,891,082	141,049	25,384,023	162,134	32,516,661	97,160	432,625
Nontaxable returns, total	**41,290,928**	**97,132,700**	**40,940,959**	**95,702,055**	**517,988**	**1,430,645**	**2,694,987**	**2,947,558**	**595,599**	**59,101**

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

NOTE: Detail may not add to total because of rounding.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	All returns	Tax credits							
		Total		Child care credit		Credit for the elderly and disabled		Child tax credit	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	**0.01**	**0.33**	**0.45**	**1.13**	**1.36**	**9.62**	**11.23**	**0.51**	**0.62**
No adjusted gross income	1.44	21.13	21.11	61.32	49.08	** 55.30	** 58.34	25.40	26.20
$1 under $5,000	0.81	7.73	20.53	99.92	99.92	**	**	50.57	50.25
$5,000 under $10,000	0.81	3.60	4.59	--	--	59.63	69.20	50.93	67.17
$10,000 under $15,000	0.82	2.24	3.11	16.46	26.08	13.04	14.57	6.51	9.45
$15,000 under $20,000	0.85	1.72	2.30	6.15	7.21	16.96	19.98	2.69	3.23
$20,000 under $25,000	0.91	1.43	1.84	4.76	5.36	29.85	35.52	2.11	2.48
$25,000 under $30,000	0.97	1.57	1.86	4.59	5.07	--	--	2.06	2.29
$30,000 under $40,000	0.74	1.20	1.46	3.52	4.06	--	--	1.55	1.70
$40,000 under $50,000	0.77	1.29	1.60	3.93	4.61	--	--	1.65	1.81
$50,000 under $75,000	0.50	0.91	1.15	2.56	3.08	--	--	1.11	1.25
$75,000 under $100,000	0.71	1.11	1.44	2.94	3.58	--	--	1.40	1.59
$100,000 under $200,000	0.58	1.00	1.62	2.48	3.04	--	--	1.56	1.89
$200,000 under $500,000	0.69	1.10	2.94	3.31	3.99	--	--	44.44	50.57
$500,000 under $1,000,000	0.94	1.23	3.21	** 4.15	** 4.76	--	--	--	--
$1,000,000 under $1,500,000	1.15	1.45	3.03	**	**	--	--	--	--
$1,500,000 under $2,000,000	0.86	1.06	3.24	**	**	--	--	--	--
$2,000,000 under $5,000,000	0.99	0.59	1.84	**	**	--	--	--	--
$5,000,000 under $10,000,000	0.54	0.61	1.33	**	**	--	--	--	--
$10,000,000 or more	0.02	0.03	--	**	**	--	--	--	--
Taxable returns, total	**0.15**	**0.40**	**0.53**	**1.35**	**1.63**	**12.89**	**15.00**	**0.65**	**0.74**
No adjusted gross income	16.87	29.73	25.85	61.32	49.08	** 57.92	** 59.50	38.24	31.22
$1 under $5,000	3.15	8.36	18.06	--	--	--	--	71.03	71.96
$5,000 under $10,000	1.62	8.12	12.97	--	--	**	**	--	--
$10,000 under $15,000	1.22	3.08	4.26	--	--	19.60	21.60	--	--
$15,000 under $20,000	1.23	3.28	5.07	--	--	19.59	22.68	70.73	70.60
$20,000 under $25,000	1.21	2.63	4.34	58.59	68.68	36.76	46.99	15.60	15.60
$25,000 under $30,000	1.23	2.87	3.73	24.62	27.70	--	--	6.46	6.47
$30,000 under $40,000	0.85	1.63	2.08	6.15	6.91	--	--	2.48	2.57
$40,000 under $50,000	0.85	1.52	1.94	5.09	5.85	--	--	2.07	2.23
$50,000 under $75,000	0.53	0.97	1.24	2.78	3.33	--	--	1.21	1.34
$75,000 under $100,000	0.72	1.12	1.45	2.98	3.62	--	--	1.42	1.61
$100,000 under $200,000	0.58	1.01	1.64	2.48	3.04	--	--	1.56	1.89
$200,000 under $500,000	0.69	1.11	3.23	3.31	3.99	--	--	44.57	50.76
$500,000 under $1,000,000	0.95	1.23	3.39	** 4.15	** 4.76	--	--	--	--
$1,000,000 or more	0.54	0.58	0.67	**	**	--	--	--	--
Nontaxable returns, total	**0.31**	**0.74**	**0.99**	**2.08**	**2.45**	**14.47**	**16.97**	**0.92**	**1.23**

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax credits--continued									
	Education credit		Retirement savings contribution credit		Residential energy credits		Adoption credit		Earned income credit used to offset income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
All returns, total	**1.06**	**1.35**	**1.29**	**1.74**	**1.34**	**1.68**	**9.62**	**12.49**	**1.75**	**2.57**
No adjusted gross income	** 47.00	** 28.03	72.00	53.11	**	**	80.44	77.13	69.52	84.09
$1 under $5,000	**	**	99.53	99.53	--	--	--	--	99.92	99.92
$5,000 under $10,000	10.38	13.17	14.07	17.26	** 57.47	** 51.82	--	--	4.52	5.31
$10,000 under $15,000	4.38	4.98	5.98	7.35	16.45	19.94	--	--	3.79	4.69
$15,000 under $20,000	3.70	4.33	3.93	5.31	11.98	15.94	99.95	99.95	6.67	7.90
$20,000 under $25,000	3.59	4.39	2.80	3.71	8.97	11.03	91.42	85.48	4.87	6.11
$25,000 under $30,000	3.84	4.71	3.80	5.49	8.31	10.30	72.58	84.54	3.59	4.30
$30,000 under $40,000	2.74	3.39	2.61	3.21	4.84	6.03	30.74	39.14	4.20	5.91
$40,000 under $50,000	3.24	3.95	2.69	3.07	4.65	6.33	27.07	30.87	--	--
$50,000 under $75,000	2.33	2.92	99.92	99.92	2.83	3.46	16.67	19.77	--	--
$75,000 under $100,000	2.64	3.20	--	--	3.21	3.89	24.11	28.53	--	--
$100,000 under $200,000	7.77	10.05	--	--	2.68	3.57	19.82	22.48	--	--
$200,000 under $500,000	--	--	--	--	3.40	4.19	** 55.93	** 71.47	--	--
$500,000 under $1,000,000	--	--	--	--	** 4.02	** 5.25	**	**	--	--
$1,000,000 under $1,500,000	--	--	--	--	**	**	**	**	--	--
$1,500,000 under $2,000,000	--	--	--	--	**	**	--	--	--	--
$2,000,000 under $5,000,000	--	--	--	--	**	**	**	**	--	--
$5,000,000 under $10,000,000	--	--	--	--	**	**	--	--	--	--
$10,000,000 or more	--	--	--	--	**	**	--	--	--	--
Taxable returns, total	**1.27**	**1.63**	**1.67**	**2.17**	**1.38**	**1.73**	**15.77**	**21.09**	**2.79**	**4.19**
No adjusted gross income	** 55.58	** 28.68	91.14	66.03	**	**	--	--	69.52	84.09
$1 under $5,000	**	**	99.53	99.53	--	--	--	--	--	--
$5,000 under $10,000	45.80	50.08	36.03	42.14	** 42.62	** 42.43	--	--	27.34	32.25
$10,000 under $15,000	8.27	10.46	8.36	10.35	20.63	25.42	--	--	4.07	4.74
$15,000 under $20,000	5.57	6.97	4.82	6.35	14.06	17.86	--	--	75.08	92.33
$20,000 under $25,000	4.68	5.85	3.61	4.64	10.57	12.29	--	--	50.87	55.78
$25,000 under $30,000	4.99	6.27	6.97	9.56	9.48	11.70	--	--	6.00	6.48
$30,000 under $40,000	3.39	4.29	3.28	3.99	5.34	6.60	99.95	99.95	5.18	7.07
$40,000 under $50,000	3.80	4.68	3.10	3.52	4.99	6.88	69.05	75.45	--	--
$50,000 under $75,000	2.53	3.18	99.92	99.92	2.91	3.55	34.12	47.61	--	--
$75,000 under $100,000	2.68	3.26	--	--	3.23	3.91	33.43	36.99	--	--
$100,000 under $200,000	7.82	10.14	--	--	2.68	3.58	23.28	27.03	--	--
$200,000 under $500,000	--	--	--	--	3.40	4.19	** 57.13	** 75.28	--	--
$500,000 under $1,000,000	--	--	--	--	** 4.02	** 5.25	--	--	--	--
$1,000,000 or more	--	--	--	--	**	**	**	**	--	--
Nontaxable returns, total	**2.00**	**2.46**	**2.10**	**2.84**	**5.63**	**7.23**	**12.15**	**15.26**	**2.28**	**3.28**

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax credits--continued									
	Minimum tax credit		Foreign tax credit		General business credit		Empowerment zone and community renewal credit		Other tax credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
All returns, total	**3.58**	**3.41**	**0.50**	**0.96**	**3.88**	**2.75**	**8.77**	**9.04**	**9.29**	**9.15**
No adjusted gross income	--	--	35.82	43.39	--	--	68.88	43.81	48.08	69.26
$1 under $5,000	--	--	7.83	13.99	--	--	--	--	--	--
$5,000 under $10,000	87.79	92.30	8.73	14.31	57.68	92.67	70.65	80.71	99.92	99.92
$10,000 under $15,000	98.51	96.05	7.73	13.11	45.11	61.39	--	--	** 72.63	** 76.16
$15,000 under $20,000	99.92	99.92	7.73	20.53	72.30	77.73	--	--	**	**
$20,000 under $25,000	38.38	47.33	7.12	14.57	51.89	79.20	--	--	49.98	66.92
$25,000 under $30,000	39.64	61.02	6.81	17.64	33.55	40.69	--	--	80.41	95.65
$30,000 under $40,000	37.67	59.57	4.73	14.58	19.17	24.43	--	--	68.76	67.96
$40,000 under $50,000	30.43	39.76	4.39	11.61	17.97	22.72	99.92	99.92	29.51	40.44
$50,000 under $75,000	16.34	22.74	2.39	10.67	10.99	14.11	51.58	65.85	21.38	28.06
$75,000 under $100,000	13.47	20.52	2.68	11.25	10.98	13.82	68.94	65.62	21.98	27.64
$100,000 under $200,000	5.89	10.07	1.51	4.66	7.16	8.98	27.12	32.98	17.63	21.50
$200,000 under $500,000	6.62	12.49	1.16	3.40	9.90	14.96	** 6.36	** 9.09	22.09	25.15
$500,000 under $1,000,000	4.23	10.01	1.29	3.67	5.01	8.04	**	**	** 9.01	** 7.72
$1,000,000 under $1,500,000	5.09	10.43	1.53	3.30	4.63	8.77	**	**	**	**
$1,500,000 under $2,000,000	4.24	9.42	1.10	3.79	3.51	7.81	**	**	**	**
$2,000,000 under $5,000,000	2.43	5.79	0.60	2.14	1.84	3.59	**	**	**	**
$5,000,000 under $10,000,000	2.33	5.65	0.63	1.50	1.51	3.05	**	**	**	**
$10,000,000 or more	--	--	0.03	--	--	--	**	**	**	**
Taxable returns, total	**3.64**	**3.50**	**0.52**	**1.02**	**4.04**	**2.73**	**8.31**	**8.95**	**9.69**	**9.32**
No adjusted gross income	--	--	57.73	50.81	--	--	68.88	43.81	70.42	91.99
$1 under $5,000	--	--	8.38	15.09	--	--	--	--	--	--
$5,000 under $10,000	--	--	9.01	15.12	99.92	99.92	99.92	99.92	99.92	99.92
$10,000 under $15,000	**	**	8.52	13.36	91.41	88.00	--	--	99.95	99.95
$15,000 under $20,000	--	--	8.11	20.30	--	--	--	--	--	--
$20,000 under $25,000	** 67.43	** 85.59	7.59	13.22	73.71	83.63	--	--	49.98	66.92
$25,000 under $30,000	70.67	95.53	7.43	18.10	49.98	58.52	--	--	84.30	99.90
$30,000 under $40,000	47.39	89.05	5.08	16.04	25.95	35.39	--	--	72.02	71.94
$40,000 under $50,000	35.98	51.33	4.55	14.50	21.91	29.87	--	--	37.79	55.74
$50,000 under $75,000	17.53	25.47	2.47	11.63	12.01	15.26	57.98	87.03	22.67	31.39
$75,000 under $100,000	13.89	21.19	2.71	12.84	11.14	13.99	98.77	97.28	22.05	28.01
$100,000 under $200,000	5.96	10.26	1.52	5.26	7.17	9.01	27.12	32.98	17.84	21.76
$200,000 under $500,000	6.66	13.39	1.17	3.79	9.95	15.13	** 6.36	** 9.09	22.15	25.65
$500,000 under $1,000,000	4.24	10.33	1.30	3.93	5.02	8.06	**	**	** 9.02	** 7.74
$1,000,000 or more	2.38	3.39	0.59	0.73	1.68	1.64	**	**	**	**
Nontaxable returns, total	**17.37**	**13.96**	**5.57**	**2.80**	**13.63**	**18.45**	**52.74**	**61.25**	**32.85**	**36.97**

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Income tax after credits		Total income tax		All other taxes					
					Total		Penalty tax on qualified retirement plans		Self-employment tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All returns, total	**0.15**	**0.18**	**0.15**	**0.18**	**0.39**	**0.65**	**1.20**	**2.02**	**0.39**	**0.71**
No adjusted gross income	16.87	26.78	16.87	26.78	3.66	4.41	10.27	13.38	3.95	4.77
$1 under $5,000	3.15	5.03	3.15	5.03	2.21	3.86	9.15	16.23	2.29	3.07
$5,000 under $10,000	1.62	2.28	1.62	2.28	1.81	2.35	7.42	27.79	1.87	2.23
$10,000 under $15,000	1.22	1.44	1.22	1.44	1.83	2.20	6.45	12.84	1.90	2.23
$15,000 under $20,000	1.23	1.36	1.23	1.36	2.19	2.83	5.70	9.28	2.37	2.93
$20,000 under $25,000	1.21	1.37	1.21	1.37	2.45	3.35	5.31	8.00	2.77	3.52
$25,000 under $30,000	1.23	1.37	1.23	1.37	2.60	3.69	5.63	8.78	2.92	3.85
$30,000 under $40,000	0.85	0.97	0.85	0.97	1.91	2.92	3.73	5.72	2.22	3.16
$40,000 under $50,000	0.85	0.98	0.85	0.98	2.03	3.26	3.97	6.11	2.36	3.57
$50,000 under $75,000	0.53	0.64	0.53	0.64	1.41	2.30	2.64	3.93	1.67	2.57
$75,000 under $100,000	0.72	0.81	0.72	0.81	1.73	2.73	3.32	4.81	2.05	3.07
$100,000 under $200,000	0.58	0.60	0.58	0.60	1.36	1.84	3.03	4.51	1.52	2.02
$200,000 under $500,000	0.69	0.66	0.69	0.66	1.36	1.85	4.49	8.07	1.45	1.92
$500,000 under $1,000,000	0.95	0.88	0.95	0.88	1.57	2.27	7.50	15.42	1.66	2.28
$1,000,000 under $1,500,000	1.16	1.17	1.16	1.17	1.82	2.72	8.92	41.55	1.94	2.80
$1,500,000 under $2,000,000	0.86	0.92	0.86	0.92	1.41	2.56	7.14	17.44	1.54	2.60
$2,000,000 under $5,000,000	0.99	1.55	0.99	1.55	1.95	8.76	4.59	13.95	2.28	10.28
$5,000,000 under $10,000,000	0.54	0.49	0.54	0.49	0.75	1.87	4.62	9.90	0.84	1.60
$10,000,000 or more	0.02	0.02	0.02	0.02	0.04	0.18	--	--	0.05	0.35
Taxable returns, total	**0.15**	**0.18**	**0.15**	**0.18**	**0.57**	**0.79**	**1.35**	**2.20**	**0.62**	**0.88**
No adjusted gross income	16.87	26.78	16.87	26.78	22.73	15.57	80.42	73.86	24.21	17.30
$1 under $5,000	3.15	5.03	3.15	5.03	15.04	18.49	30.21	44.78	18.02	19.33
$5,000 under $10,000	1.62	2.28	1.62	2.28	6.42	13.72	19.04	81.11	6.96	9.30
$10,000 under $15,000	1.22	1.44	1.22	1.44	3.79	4.82	10.65	17.46	4.09	4.92
$15,000 under $20,000	1.23	1.36	1.23	1.36	3.60	4.92	7.81	13.16	4.10	5.19
$20,000 under $25,000	1.21	1.37	1.21	1.37	3.53	5.01	7.51	11.57	4.06	5.30
$25,000 under $30,000	1.23	1.37	1.23	1.37	3.62	5.45	7.41	11.38	4.20	5.77
$30,000 under $40,000	0.85	0.97	0.85	0.97	2.34	3.77	4.37	6.75	2.79	4.14
$40,000 under $50,000	0.85	0.98	0.85	0.98	2.30	3.75	4.34	6.78	2.71	4.16
$50,000 under $75,000	0.53	0.64	0.53	0.64	1.49	2.45	2.74	4.06	1.79	2.77
$75,000 under $100,000	0.72	0.81	0.72	0.81	1.76	2.77	3.35	4.86	2.08	3.12
$100,000 under $200,000	0.58	0.60	0.58	0.60	1.37	1.85	3.03	4.52	1.53	2.03
$200,000 under $500,000	0.69	0.66	0.69	0.66	1.36	1.85	4.50	8.08	1.45	1.92
$500,000 under $1,000,000	0.95	0.88	0.95	0.88	1.57	2.28	7.51	15.44	1.66	2.28
$1,000,000 or more	0.54	0.44	0.54	0.44	0.92	2.74	4.46	20.14	1.03	3.50
Nontaxable returns, total	--	--	--	--	**0.75**	**1.25**	**2.71**	**4.36**	**0.76**	**1.28**

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	All other taxes--continued				Earned income credit used to offset other taxes		Total tax liability		Tax payments	
	Social security taxes on tip income		Household employment tax						Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)
All returns, total	**5.05**	**10.12**	**4.23**	**5.23**	**1.03**	**1.44**	**0.15**	**0.18**	**0.04**	**0.14**
No adjusted gross income	42.07	61.37	28.90	26.02	6.57	9.33	3.99	9.00	1.72	3.08
$1 under $5,000	16.98	26.12	41.73	68.47	3.28	4.52	1.95	4.24	0.90	2.43
$5,000 under $10,000	13.81	20.57	99.02	99.21	2.24	2.84	1.40	2.34	0.85	1.43
$10,000 under $15,000	13.97	25.81	53.09	55.91	2.46	2.88	1.17	1.55	0.84	1.32
$15,000 under $20,000	17.95	30.06	24.95	26.62	3.49	4.25	1.19	1.40	0.87	1.10
$20,000 under $25,000	20.06	29.41	48.40	52.51	4.10	5.33	1.18	1.36	0.92	1.10
$25,000 under $30,000	22.76	44.30	58.36	75.76	4.53	5.78	1.20	1.36	0.98	1.15
$30,000 under $40,000	18.02	31.34	41.60	55.52	4.79	5.95	0.84	0.96	0.74	0.97
$40,000 under $50,000	18.32	34.36	30.89	50.20	--	--	0.84	0.97	0.78	0.89
$50,000 under $75,000	16.58	25.38	20.89	35.34	--	--	0.52	0.64	0.50	0.60
$75,000 under $100,000	19.57	23.49	24.45	34.80	--	--	0.72	0.81	0.71	0.80
$100,000 under $200,000	16.23	39.12	11.17	16.88	--	--	0.58	0.60	0.58	0.62
$200,000 under $500,000	21.92	39.02	5.92	10.22	--	--	0.69	0.65	0.69	0.71
$500,000 under $1,000,000	31.00	55.18	5.27	13.37	--	--	0.94	0.88	0.95	0.94
$1,000,000 under $1,500,000	58.62	59.01	5.18	7.64	--	--	1.16	1.16	1.16	1.21
$1,500,000 under $2,000,000	31.89	63.81	3.59	7.29	--	--	0.86	0.92	0.86	1.00
$2,000,000 under $5,000,000	24.29	36.66	1.87	2.97	--	--	0.99	1.65	0.99	0.50
$5,000,000 under $10,000,000	41.62	33.86	1.36	1.62	--	--	0.54	0.49	0.54	0.50
$10,000,000 or more	--	--	0.07	0.08	--	--	0.02	0.02	0.02	0.03
Taxable returns, total	**6.95**	**15.25**	**4.26**	**4.89**	**--**	**--**	**0.15**	**0.18**	**0.16**	**0.15**
No adjusted gross income	--	--	11.38	10.35	--	--	16.87	25.09	17.18	7.25
$1 under $5,000	72.24	98.12	--	--	--	--	3.15	4.93	4.91	8.35
$5,000 under $10,000	33.31	43.52	--	--	--	--	1.62	2.84	1.69	2.07
$10,000 under $15,000	29.14	68.99	99.91	99.91	--	--	1.22	1.57	1.24	1.81
$15,000 under $20,000	29.26	51.42	--	--	--	--	1.23	1.44	1.24	1.43
$20,000 under $25,000	30.58	51.29	72.51	70.67	--	--	1.21	1.38	1.22	1.38
$25,000 under $30,000	31.82	44.22	99.95	99.95	--	--	1.23	1.38	1.23	1.37
$30,000 under $40,000	23.24	31.18	58.94	62.40	--	--	0.85	0.97	0.86	1.09
$40,000 under $50,000	19.83	37.54	35.67	59.48	--	--	0.85	0.98	0.85	0.96
$50,000 under $75,000	17.57	26.76	21.91	30.05	--	--	0.53	0.64	0.53	0.62
$75,000 under $100,000	19.77	24.18	25.34	38.33	--	--	0.72	0.81	0.72	0.80
$100,000 under $200,000	16.23	39.12	11.41	17.73	--	--	0.58	0.60	0.59	0.62
$200,000 under $500,000	21.95	39.12	5.94	10.47	--	--	0.69	0.65	0.69	0.71
$500,000 under $1,000,000	31.00	55.18	5.27	13.46	--	--	0.95	0.88	0.95	0.94
$1,000,000 or more	23.47	33.35	1.70	1.80	--	--	0.54	0.47	0.54	0.22
Nontaxable returns, total	**7.36**	**12.39**	**16.35**	**21.73**	**1.03**	**1.44**	**1.17**	**2.00**	**0.34**	**0.75**

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax payments--continued									
	Income tax withheld		Estimated tax payments		Additional child tax credit		Payments with request for extension of filing time		Excess social security taxes withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)
All returns, total	**0.09**	**0.19**	**0.67**	**0.40**	**0.68**	**0.91**	**1.59**	**0.47**	**1.96**	**2.13**
No adjusted gross income	2.88	3.58	5.56	5.71	5.97	7.07	11.94	6.14	26.26	26.38
$1 under $5,000	1.00	2.20	6.85	12.60	11.47	14.96	11.01	17.65	72.17	71.54
$5,000 under $10,000	0.95	1.26	5.64	10.97	8.82	10.62	12.41	17.07	58.44	58.56
$10,000 under $15,000	0.94	1.32	4.92	8.08	1.92	2.65	13.53	27.01	71.87	99.73
$15,000 under $20,000	0.93	1.10	4.54	6.30	1.68	1.78	12.17	18.83	59.70	72.12
$20,000 under $25,000	0.96	1.12	4.40	5.89	1.74	1.98	12.48	16.75	53.86	67.30
$25,000 under $30,000	1.02	1.17	4.29	5.85	2.07	2.41	12.66	17.34	74.78	94.32
$30,000 under $40,000	0.77	1.00	3.09	4.35	1.90	2.31	9.53	12.18	55.95	76.94
$40,000 under $50,000	0.80	0.91	3.03	4.31	2.70	3.50	9.64	13.05	45.11	38.29
$50,000 under $75,000	0.52	0.61	1.93	2.51	3.06	4.03	6.10	9.05	22.99	26.59
$75,000 under $100,000	0.74	0.83	2.19	2.92	8.52	11.37	6.59	8.83	8.65	11.50
$100,000 under $200,000	0.62	0.68	1.46	1.72	16.61	23.27	3.60	4.37	2.96	3.82
$200,000 under $500,000	0.77	0.90	1.19	1.37	--	--	2.43	2.92	2.65	3.45
$500,000 under $1,000,000	1.09	1.34	1.27	1.44	--	--	2.19	2.50	3.49	4.42
$1,000,000 under $1,500,000	1.32	1.80	1.42	1.64	--	--	2.15	2.53	3.92	4.96
$1,500,000 under $2,000,000	1.00	1.49	1.08	1.43	--	--	1.63	2.16	3.11	4.00
$2,000,000 under $5,000,000	1.20	0.87	0.60	0.75	--	--	0.84	1.01	1.80	5.06
$5,000,000 under $10,000,000	0.60	0.88	0.60	0.65	--	--	0.74	0.76	1.59	1.99
$10,000,000 or more	0.02	0.01	0.03	0.02	--	--	0.02	0.05	0.12	0.06
Taxable returns, total	**0.17**	**0.20**	**0.71**	**0.41**	**40.16**	**51.96**	**1.65**	**0.47**	**1.97**	**2.14**
No adjusted gross income	22.09	13.81	21.48	12.97	--	--	12.39	6.24	34.80	29.17
$1 under $5,000	5.26	8.53	20.87	25.25	--	--	17.04	24.70	--	--
$5,000 under $10,000	1.72	2.03	13.49	19.63	--	--	18.56	25.94	81.21	81.21
$10,000 under $15,000	1.33	1.78	6.72	13.52	--	--	18.21	31.63	--	--
$15,000 under $20,000	1.31	1.45	5.67	8.02	--	--	14.71	19.62	72.67	98.83
$20,000 under $25,000	1.28	1.40	5.12	6.79	--	--	15.01	19.87	69.95	86.33
$25,000 under $30,000	1.28	1.39	4.86	6.79	--	--	15.12	21.63	50.57	53.79
$30,000 under $40,000	0.88	1.13	3.33	4.72	96.25	98.72	10.57	13.73	66.50	55.35
$40,000 under $50,000	0.87	0.98	3.20	4.62	98.75	99.79	10.24	14.26	60.61	48.00
$50,000 under $75,000	0.55	0.64	1.97	2.57	** 55.87	** 61.74	6.32	9.55	25.96	29.59
$75,000 under $100,000	0.75	0.84	2.20	2.95	**	**	6.66	8.97	8.71	11.69
$100,000 under $200,000	0.62	0.68	1.46	1.72	99.95	99.95	3.61	4.39	2.96	3.82
$200,000 under $500,000	0.77	0.90	1.19	1.38	--	--	2.43	2.92	2.65	3.45
$500,000 under $1,000,000	1.09	1.34	1.27	1.44	--	--	2.20	2.50	3.50	4.42
$1,000,000 or more	0.64	0.46	0.59	0.33	--	--	0.79	0.31	1.77	2.55
Nontaxable returns, total	**0.40**	**0.77**	**2.36**	**3.21**	**0.68**	**0.91**	**5.85**	**7.11**	**17.44**	**20.12**

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax payments--continued						Earned income credit refundable portion		Federal telephone excise tax credit	
	Credit for Federal tax on gasoline and special fuels		Credit from regulated investment companies		Health coverage credit					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)
All returns, total	**4.26**	**12.53**	**8.17**	**13.26**	**18.87**	**20.99**	**0.56**	**0.71**	**0.15**	**0.32**
No adjusted gross income	11.89	12.34	60.83	39.06	98.33	98.33	6.35	9.20	1.83	5.29
$1 under $5,000	22.88	33.95	--	--	--	--	1.90	2.60	1.53	2.29
$5,000 under $10,000	22.93	35.87	70.65	81.53	95.51	96.40	1.43	1.80	1.20	2.76
$10,000 under $15,000	17.98	47.73	40.81	64.58	53.78	58.88	1.50	1.67	1.07	1.62
$15,000 under $20,000	17.18	30.43	72.58	98.47	59.17	63.89	1.67	1.79	1.08	1.65
$20,000 under $25,000	17.66	25.01	82.11	95.13	--	--	1.75	1.92	1.11	1.71
$25,000 under $30,000	19.24	24.87	69.09	70.98	58.86	63.98	2.08	2.36	1.18	2.07
$30,000 under $40,000	13.14	18.91	33.34	53.08	53.89	59.57	2.53	3.04	0.88	1.08
$40,000 under $50,000	14.78	21.12	49.83	75.30	99.92	99.92	--	--	0.91	1.23
$50,000 under $75,000	10.51	14.83	26.69	55.53	33.79	40.96	--	--	0.59	0.67
$75,000 under $100,000	14.58	24.15	38.67	57.62	51.09	53.63	--	--	0.79	0.99
$100,000 under $200,000	15.44	19.93	14.98	32.63	75.18	71.20	--	--	0.64	0.69
$200,000 under $500,000	15.57	20.89	13.90	34.18	--	--	--	--	0.73	0.82
$500,000 under $1,000,000	15.89	35.43	12.56	55.20	98.73	98.73	--	--	0.99	1.78
$1,000,000 under $1,500,000	18.10	36.95	13.33	71.43	--	--	--	--	1.20	2.13
$1,500,000 under $2,000,000	19.22	24.64	10.34	36.53	--	--	--	--	0.90	1.13
$2,000,000 under $5,000,000	7.34	18.69	5.54	26.26	--	--	--	--	0.52	0.67
$5,000,000 under $10,000,000	4.37	10.14	4.96	1.03	--	--	--	--	0.56	0.58
$10,000,000 or more	--	--	--	--	--	--	--	--	0.02	0.02
Taxable returns, total	**5.44**	**6.99**	**8.51**	**13.77**	**21.06**	**23.38**	**--**	**--**	**0.22**	**0.29**
No adjusted gross income	57.69	30.03	23.47	13.42	--	--	--	--	17.66	29.98
$1 under $5,000	--	--	--	--	--	--	--	--	53.82	50.82
$5,000 under $10,000	59.21	58.30	99.92	99.92	--	--	--	--	5.19	9.84
$10,000 under $15,000	36.58	48.18	99.92	99.92	99.95	99.95	--	--	1.76	3.13
$15,000 under $20,000	32.65	38.03	--	--	99.92	99.92	--	--	1.62	1.73
$20,000 under $25,000	25.34	36.98	--	--	--	--	--	--	1.53	2.20
$25,000 under $30,000	26.41	30.49	70.65	81.24	58.86	63.98	--	--	1.51	1.69
$30,000 under $40,000	15.29	21.17	35.38	53.70	53.89	59.57	--	--	1.02	1.13
$40,000 under $50,000	16.75	23.62	49.83	75.30	99.92	99.92	--	--	0.99	1.36
$50,000 under $75,000	10.94	15.38	26.70	55.53	33.79	40.96	--	--	0.62	0.70
$75,000 under $100,000	14.70	24.20	38.87	57.95	51.09	53.63	--	--	0.80	1.00
$100,000 under $200,000	15.45	20.01	14.98	32.64	75.18	71.20	--	--	0.64	0.69
$200,000 under $500,000	15.62	21.07	13.93	34.30	--	--	--	--	0.73	0.83
$500,000 under $1,000,000	15.92	36.13	12.59	55.59	98.73	98.73	--	--	0.99	1.78
$1,000,000 or more	6.50	8.51	5.20	12.85	--	--	--	--	0.51	0.92
Nontaxable returns, total	**7.05**	**22.64**	**28.78**	**48.60**	**42.46**	**44.62**	**0.56**	**0.71**	**0.45**	**0.89**

Footnotes at end of table.

Table 3.3CV--Coefficient of Variation for All Returns: Tax Liability, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income--Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
	Total		Refunded		Credited to 2007 estimated tax					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)
All returns, total	**0.11**	**0.28**	**0.12**	**0.31**	**1.15**	**0.67**	**0.46**	**1.06**	**0.93**	**1.84**
No adjusted gross income	1.77	3.03	1.82	3.14	6.85	8.08	5.26	17.41	9.50	11.95
$1 under $5,000	0.92	1.91	0.93	1.89	9.52	21.34	2.20	3.21	16.01	18.48
$5,000 under $10,000	0.89	1.37	0.89	1.38	8.40	11.59	2.43	3.73	6.75	7.88
$10,000 under $15,000	0.89	1.32	0.90	1.32	7.90	15.57	2.37	3.46	5.40	6.20
$15,000 under $20,000	0.93	1.30	0.93	1.31	6.86	10.51	2.53	3.71	5.62	6.70
$20,000 under $25,000	0.99	1.34	1.00	1.35	7.14	10.76	2.49	3.68	5.41	7.28
$25,000 under $30,000	1.07	1.46	1.08	1.46	7.02	13.08	2.49	3.85	5.37	6.97
$30,000 under $40,000	0.82	1.40	0.83	1.42	5.13	9.75	1.89	2.91	3.87	5.80
$40,000 under $50,000	0.90	1.24	0.91	1.22	5.37	13.15	1.88	2.93	3.72	5.74
$50,000 under $75,000	0.62	0.91	0.63	0.91	3.55	6.27	1.27	1.93	2.49	3.91
$75,000 under $100,000	0.89	1.27	0.91	1.25	3.92	8.06	1.62	2.46	2.94	4.51
$100,000 under $200,000	0.85	1.19	0.91	1.27	2.54	3.22	1.13	1.53	2.02	3.01
$200,000 under $500,000	1.23	1.78	1.55	2.28	1.96	2.56	1.06	1.44	1.70	2.61
$500,000 under $1,000,000	1.51	2.02	2.33	3.11	1.91	2.40	1.43	1.81	2.00	3.66
$1,000,000 under $1,500,000	1.70	2.20	2.87	4.18	2.00	2.46	1.75	2.30	2.29	4.41
$1,500,000 under $2,000,000	1.31	2.31	2.30	4.03	1.57	2.67	1.39	1.98	1.91	3.47
$2,000,000 under $5,000,000	0.70	1.02	1.35	2.02	0.81	1.14	2.19	11.02	3.30	17.76
$5,000,000 under $10,000,000	0.66	0.70	1.24	1.30	0.72	0.79	1.02	1.21	1.11	1.92
$10,000,000 or more	0.02	0.04	--	--	0.02	0.05	0.06	0.04	0.06	0.01
Taxable returns, total	**0.23**	**0.36**	**0.24**	**0.43**	**1.23**	**0.67**	**0.49**	**1.09**	**0.98**	**1.90**
No adjusted gross income	22.78	8.56	30.77	12.13	29.02	11.89	21.94	57.65	30.78	47.65
$1 under $5,000	6.05	10.57	6.30	10.64	21.29	31.40	3.74	5.71	99.64	99.64
$5,000 under $10,000	1.83	2.32	1.83	2.32	21.64	29.80	3.71	6.63	14.73	16.92
$10,000 under $15,000	1.39	2.48	1.40	2.49	10.49	18.31	2.65	4.12	6.96	8.10
$15,000 under $20,000	1.39	1.75	1.40	1.75	8.90	14.09	2.76	4.18	6.81	8.23
$20,000 under $25,000	1.38	1.76	1.40	1.76	8.59	11.77	2.64	3.98	6.15	8.57
$25,000 under $30,000	1.40	1.82	1.41	1.81	8.17	16.56	2.65	4.26	6.09	8.10
$30,000 under $40,000	0.97	2.00	0.98	2.03	5.68	11.59	1.97	3.11	4.20	6.59
$40,000 under $50,000	1.00	1.37	1.02	1.33	5.82	15.58	1.92	3.03	3.90	6.21
$50,000 under $75,000	0.66	0.95	0.67	0.95	3.66	6.69	1.28	1.96	2.54	4.04
$75,000 under $100,000	0.90	1.28	0.92	1.25	3.96	8.32	1.63	2.47	2.96	4.56
$100,000 under $200,000	0.86	1.19	0.91	1.27	2.56	3.26	1.13	1.53	2.03	3.02
$200,000 under $500,000	1.24	1.79	1.55	2.30	1.97	2.57	1.06	1.44	1.70	2.61
$500,000 under $1,000,000	1.51	2.03	2.34	3.14	1.92	2.41	1.43	1.81	2.00	3.66
$1,000,000 or more	0.69	0.40	1.32	0.97	0.78	0.43	1.01	3.67	1.39	6.35
Nontaxable returns, total	**0.34**	**0.56**	**0.35**	**0.56**	**3.39**	**4.72**	**1.47**	**2.43**	**3.21**	**4.03**

** Data combined to prevent disclosure of certain taxpayer information.

Table 3.4--Returns with Modified Taxable Income [1]: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax Was Computed

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Tax rate classes	Classified by the highest marginal rate at which tax was computed								
	Number of returns	Adjusted gross income less deficit	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
								Adjusted gross income	Modified taxable income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns									
All tax rates	**106,658,774**	**7,842,167,353**	**5,580,354,544**	**1,986,699,246**	**1,061,283,363**	**462,956,708**	**1,023,300,348**	**13.0**	**18.3**
5 percent	1,151,527	27,701,952	8,346,340	8,346,231	417,350	417,312	383,080	1.4	4.6
10 percent	25,752,688	526,398,164	138,754,410	128,511,169	13,365,867	12,851,117	7,122,378	1.4	5.1
10 percent (Form 8814)	19,240	-7,919	17,907	17,907	1,796	1,796	6,826	[2]	38.1
15 percent	41,304,877	1,805,310,493	1,069,736,810	613,977,076	137,673,528	92,096,561	110,746,584	6.1	10.4
15 percent (capital gains)	8,639,561	774,171,191	536,927,394	217,345,910	70,077,993	32,601,887	68,241,017	8.8	12.7
25 percent	22,314,164	2,017,884,595	1,503,962,573	254,642,952	253,145,760	63,660,738	246,911,616	12.2	16.4
25 percent (capital gains)	442,189	94,804,743	80,060,597	6,861,803	13,260,613	1,715,451	13,832,445	14.6	17.3
28 percent	4,020,037	703,069,357	568,137,742	41,499,306	117,747,721	11,619,806	120,719,611	17.2	21.2
28 percent (capital gains)	71,581	13,754,748	11,294,494	1,045,431	2,078,922	292,721	2,188,233	15.9	19.4
33 percent	1,587,873	509,361,358	431,351,363	87,525,981	102,570,049	28,883,574	107,380,555	21.1	24.9
35 percent	1,002,051	1,364,567,706	1,226,989,916	622,722,005	350,015,255	217,952,702	344,894,798	25.3	28.1
Form 8615	352,987	5,150,965	4,774,997	4,203,477	928,508	863,043	873,205	17.0	18.3
Joint returns and returns of surviving spouses									
All tax rates	**45,391,852**	**5,287,113,548**	**3,849,427,406**	**1,319,780,255**	**758,086,750**	**326,792,949**	**733,754,945**	**13.9**	**19.1**
5 percent	321,946	15,402,702	4,488,252	4,488,142	224,429	224,407	205,909	1.3	4.6
10 percent	7,359,293	240,118,797	61,282,226	55,279,464	5,829,274	5,527,946	2,907,005	1.2	4.7
10 percent (Form 8814)	9,863	-104,232	10,368	10,368	1,040	1,040	6,826	[2]	65.8
15 percent	16,576,126	1,045,032,131	611,973,278	361,661,915	79,280,787	54,249,287	61,484,987	5.9	10.0
15 percent (capital gains)	5,544,510	581,936,154	400,873,976	153,635,831	52,393,252	23,045,375	50,315,306	8.6	12.6
25 percent	10,852,508	1,296,629,277	952,338,858	134,718,007	158,650,461	33,679,502	153,403,341	11.8	16.1
25 percent (capital gains)	281,664	69,949,557	58,855,331	4,987,803	9,733,657	1,246,951	10,179,707	14.6	17.3
28 percent	2,326,638	481,786,640	384,204,622	21,708,180	78,201,477	6,078,290	80,612,729	16.7	21.0
28 percent (capital gains)	46,340	10,191,242	8,280,609	694,495	1,497,884	194,459	1,591,454	15.6	19.2
33 percent	1,227,064	409,711,044	345,663,286	68,146,293	81,340,285	22,488,277	85,476,312	20.9	24.7
35 percent	845,900	1,136,460,236	1,021,456,602	514,449,757	290,934,203	180,057,415	287,571,371	25.3	28.2
Form 8615	--	--	--	--	--	--	--	[2]	[2]
Separate returns of married persons									
All tax rates	**2,174,867**	**153,813,933**	**117,178,658**	**53,984,899**	**24,540,501**	**14,280,102**	**23,943,022**	**15.6**	**20.4**
5 percent	8,451	276,885	69,938	69,938	3,496	3,497	2,804	1.0	4.0
10 percent	314,014	4,914,125	1,319,516	1,254,716	128,736	125,472	103,012	2.1	7.8
10 percent (Form 8814)	* 7	* -15,049	* 3	* 3	--	--	--	[2]	[2]
15 percent	1,027,096	31,408,803	18,783,198	11,028,622	2,429,774	1,654,293	2,139,772	6.8	11.4
15 percent (capital gains)	102,197	13,051,538	9,760,131	7,353,048	1,371,958	1,102,957	1,470,046	11.3	15.1
25 percent	528,841	31,086,547	23,190,920	5,003,001	3,880,325	1,250,750	3,841,070	12.4	16.6
25 percent (capital gains)	7,771	2,168,329	1,838,007	240,747	305,127	60,187	336,209	15.5	18.3
28 percent	104,988	10,847,239	8,692,950	704,571	1,739,211	197,280	1,785,977	16.5	20.5
28 percent (capital gains)	657	168,691	144,179	63,869	31,887	17,883	32,817	19.5	22.8
33 percent	49,667	8,175,581	6,872,881	1,272,536	1,607,607	419,937	1,662,129	20.3	24.2
35 percent	31,179	51,731,245	46,506,934	26,993,847	13,042,380	9,447,846	12,569,187	24.3	27.0
Form 8615	--	--	--	--	--	--	--	[2]	[2]

Footnotes at end of table.

Table 3.4--Returns with Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax Was Computed--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Tax rate classes	Classified by the highest marginal rate at which tax was computed								
	Number of returns	Adjusted gross income less deficit	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of Adjusted gross income	As a percentage of Modified taxable income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Returns of heads of households									
All tax rates	**13,526,875**	**556,591,736**	**301,094,986**	**133,491,009**	**46,806,599**	**23,245,904**	**36,803,628**	**6.6**	**12.2**
5 percent	28,690	1,046,889	325,331	325,331	16,268	16,267	8,883	0.8	2.7
10 percent	5,775,685	130,405,313	30,229,898	29,932,369	3,008,571	2,993,237	306,851	0.2	1.0
10 percent (Form 8814)	7,729	80,958	6,218	6,218	623	623	–	[2]	[2]
15 percent	5,857,705	233,991,461	126,937,735	63,965,766	15,892,220	9,594,865	9,358,725	4.0	7.4
15 percent (capital gains)	365,107	25,161,559	16,631,159	6,085,493	2,146,889	912,824	1,922,799	7.6	11.6
25 percent	1,329,939	109,708,855	78,494,249	17,297,541	13,279,346	4,324,385	12,669,803	11.5	16.1
25 percent (capital gains)	13,080	2,811,099	2,429,329	249,475	404,939	62,369	427,253	15.2	17.6
28 percent	87,051	15,360,267	12,277,922	1,150,528	2,634,227	322,148	2,816,963	18.3	22.9
28 percent (capital gains)	* 3,036	* 321,834	* 253,537	* 27,198	* 47,644	* 7,615	* 47,224	* 14.7	* 18.6
33 percent	37,260	11,516,443	9,904,583	2,315,504	2,444,123	764,116	2,569,479	22.3	25.9
35 percent	21,595	26,187,059	23,605,026	12,135,587	6,931,750	4,247,455	6,675,649	25.5	28.3
Form 8615	–	–	–	–	–	–	–	[2]	[2]
Returns of single persons									
All tax rates	**45,565,179**	**1,844,648,135**	**1,312,653,493**	**479,443,084**	**231,849,512**	**98,637,752**	**228,798,753**	**12.4**	**17.4**
5 percent	792,440	10,975,477	3,462,819	3,462,819	173,157	173,141	165,485	1.5	4.8
10 percent	12,303,695	150,959,929	45,922,770	42,044,620	4,399,285	4,204,462	3,805,510	2.5	8.3
10 percent (Form 8814)	* 1,642	* 30,405	* 1,318	* 1,318	* 133	* 133	–	[2]	[2]
15 percent	17,843,951	494,878,097	312,042,600	177,320,772	40,070,748	26,598,116	37,763,101	7.6	12.1
15 percent (capital gains)	2,627,748	154,021,939	109,662,128	50,271,538	14,165,893	7,540,731	14,532,866	9.4	13.3
25 percent	9,602,877	580,459,916	449,938,546	97,624,402	77,335,628	24,406,101	76,997,403	13.3	17.1
25 percent (capital gains)	139,674	19,875,758	16,937,930	1,383,778	2,816,890	345,945	2,889,277	14.5	17.1
28 percent	1,501,361	195,075,211	162,962,248	17,936,028	35,172,807	5,022,088	35,503,942	18.2	21.8
28 percent (capital gains)	21,547	3,072,982	2,616,170	259,868	501,506	72,763	516,738	16.8	19.8
33 percent	273,882	79,958,290	68,910,613	15,791,648	17,178,035	5,211,244	17,672,635	22.1	25.6
35 percent	103,377	150,189,166	135,421,355	69,142,814	39,106,922	24,199,985	38,078,592	25.4	28.1
Form 8615	352,987	5,150,965	4,774,997	4,203,477	928,508	863,043	873,205	17.0	18.3

* Estimate should be used with caution due to the small number of sample returns on which it is based.

[1] See section 4 for the definition of modified taxable income.

[2] Percentage not computed.

NOTE: Detail may not add to totals because of rounding.

Table 3.5--Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at specified rate: 5 percent: Number of returns	5 percent: Income taxed at rate	5 percent: Tax generated at rate	10 percent: Number of returns	10 percent: Income taxed at rate	10 percent: Tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	**106,658,774**	**5,579,105,232**	**5,580,354,544**	**1,061,283,363**	**12,761,691**	**71,118,752**	**3,556,337**	**105,189,855**	**1,033,637,088**	**103,363,709**
Under $2,000	333,185	148,463	152,384	10,867	215,970	93,830	4,696	177,160	49,508	4,951
$2,000 under $4,000	393,372	520,951	528,454	52,708	242,077	204,417	10,221	287,459	183,568	18,357
$4,000 under $6,000	887,021	863,366	867,382	83,024	204,368	261,830	13,091	803,707	444,138	44,414
$6,000 under $8,000	1,180,325	2,363,844	2,370,326	238,533	146,683	208,017	10,410	1,153,419	2,025,705	202,571
$8,000 under $10,000	2,011,905	4,089,984	4,102,339	406,204	165,502	292,318	14,618	1,944,233	3,636,187	363,619
$10,000 under $12,000	2,529,783	7,624,699	7,630,993	754,870	247,395	288,787	14,443	2,445,717	7,236,113	723,611
$12,000 under $14,000	2,621,735	11,954,530	11,967,972	1,193,483	274,899	469,347	23,477	2,554,894	11,205,642	1,120,564
$14,000 under $16,000	2,940,733	16,061,007	16,073,701	1,609,722	263,628	538,281	26,918	2,887,247	14,958,266	1,495,827
$16,000 under $18,000	3,057,122	20,474,244	20,489,929	2,140,998	241,451	510,594	25,536	3,020,719	17,689,478	1,768,948
$18,000 under $20,000	3,443,534	25,444,391	25,467,224	2,795,763	290,701	575,386	28,773	3,387,513	19,341,366	1,934,137
$20,000 under $25,000	8,828,262	84,958,925	85,056,763	9,784,387	815,192	1,799,186	89,979	8,709,674	56,123,440	5,612,344
$25,000 under $30,000	8,251,278	111,591,561	111,656,367	13,325,950	845,048	2,414,786	120,764	8,182,866	63,896,258	6,389,626
$30,000 under $40,000	13,731,528	265,072,833	265,293,734	32,970,635	1,597,122	5,194,359	259,795	13,646,327	126,953,412	12,695,341
$40,000 under $50,000	10,512,281	284,971,930	285,177,742	38,102,778	1,353,523	5,455,865	272,836	10,454,320	112,209,998	11,221,000
$50,000 under $75,000	18,708,956	743,782,211	744,232,638	107,343,865	2,969,845	14,809,963	740,597	18,602,026	226,336,105	22,633,611
$75,000 under $100,000	11,102,049	660,318,278	660,681,476	99,607,990	1,851,338	14,118,365	705,956	11,037,241	149,144,766	14,914,477
$100,000 under $200,000	12,067,873	1,181,233,546	1,181,992,599	213,889,256	772,440	14,372,204	718,643	11,955,091	167,018,658	16,701,866
$200,000 under $500,000	3,116,220	731,857,395	732,277,004	168,370,440	190,501	6,309,725	315,502	3,048,380	42,724,743	4,272,474
$500,000 under $1,000,000	588,226	348,055,997	347,985,796	92,728,417	40,768	1,637,192	81,864	564,629	7,915,923	791,592
$1,000,000 under $1,500,000	150,189	161,556,432	161,483,285	44,152,720	12,202	530,982	26,551	141,612	1,977,465	197,747
$1,500,000 under $2,000,000	63,848	98,151,682	98,061,076	26,816,518	5,985	279,244	13,963	59,371	825,167	82,517
$2,000,000 under $5,000,000	98,500	265,082,448	264,771,604	72,283,115	9,577	466,103	23,306	90,548	1,248,284	124,828
$5,000,000 under $10,000,000	24,917	153,833,151	153,612,831	39,972,419	3,025	157,300	7,865	22,144	306,459	30,646
$10,000,000 or more	15,931	399,093,365	398,420,925	92,648,701	2,451	130,671	6,534	13,559	186,439	18,644

Tax generated at specified rate--continued

Size of adjusted gross income	10 percent (from Form 8814): Number of returns	10 percent (from Form 8814): Income taxed at rate	10 percent (from Form 8814): Tax generated at rate	15 percent: Number of returns	15 percent: Income taxed at rate	15 percent: Tax generated at rate	15 percent (capital gains): Number of returns	15 percent (capital gains): Income taxed at rate	15 percent (capital gains): Tax generated at rate	25 percent: Number of returns	25 percent: Income taxed at rate	25 percent: Tax generated at rate
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total	**175,397**	**139,646**	**13,993**	**78,987,673**	**1,827,399,429**	**274,109,914**	**13,103,694**	**710,432,860**	**106,565,265**	**29,370,033**	**785,142,547**	**196,285,637**
Under $2,000	2,562	3,761	376	–	–	–	–	–	–	–	–	–
$2,000 under $4,000	* 698	* 542	* 55	–	–	–	–	–	–	–	–	–
$4,000 under $6,000	–	–	–	–	–	–	–	–	–	–	–	–
$6,000 under $8,000	* 866	* 298	* 30	* 698	* 1,253	* 188	–	–	–	–	–	–
$8,000 under $10,000	* 1,925	* 937	* 94	* 7,635	* 9,172	* 1,376	–	–	–	–	–	–
$10,000 under $12,000	* 2,355	* 1,725	* 173	* 1,804	* 2,110	* 317	–	–	–	–	–	–
$12,000 under $14,000	4,063	3,468	349	182,982	129,539	19,431	–	–	–	–	–	–
$14,000 under $16,000	* 2,564	* 2,514	* 252	205,545	430,519	64,578	–	–	–	–	–	–
$16,000 under $18,000	* 2,947	* 2,126	* 214	1,785,231	2,189,813	328,472	–	–	–	–	–	–
$18,000 under $20,000	* 2,538	* 1,061	* 107	1,909,351	5,516,272	827,441	–	–	–	* 48	* 659	* 165
$20,000 under $25,000	* 2,325	* 1,428	* 144	4,582,979	26,953,407	4,043,011	–	–	–	* 917	* 9,929	* 2,482
$25,000 under $30,000	* 2,982	* 1,818	* 184	5,277,035	45,144,215	6,771,632	–	–	–	1,562	5,508	1,377
$30,000 under $40,000	6,945	4,872	489	10,553,498	132,645,630	19,896,845	28,090	16,323	2,450	301,909	208,356	52,089
$40,000 under $50,000	10,294	6,375	641	9,665,238	151,333,366	22,700,005	632,136	1,297,976	194,714	3,147,302	14,689,828	3,672,457
$50,000 under $75,000	28,978	21,319	2,138	18,088,522	409,890,691	61,483,604	1,641,186	7,976,307	1,196,487	5,808,570	84,896,035	21,224,009
$75,000 under $100,000	21,959	16,231	1,625	10,935,293	392,666,860	58,900,029	2,127,929	11,685,615	1,752,896	5,502,205	89,749,848	22,437,462
$100,000 under $200,000	40,841	30,510	3,053	11,878,481	494,916,604	74,237,491	5,572,059	61,931,958	9,289,940	10,854,279	377,411,401	94,352,850
$200,000 under $500,000	25,869	24,194	2,421	3,026,977	127,998,233	19,199,735	2,272,456	97,684,463	14,652,727	2,897,382	167,985,415	41,996,354
$500,000 under $1,000,000	8,293	9,033	904	560,896	23,833,857	3,575,079	507,109	72,998,494	10,949,784	540,275	31,721,514	7,930,379
$1,000,000 under $1,500,000	2,567	3,063	306	140,727	5,969,672	895,451	134,917	43,107,734	6,466,163	136,452	7,986,168	1,996,542
$1,500,000 under $2,000,000	1,141	1,243	124	59,028	2,490,726	373,609	58,372	29,463,986	4,419,599	57,006	3,345,482	836,371
$2,000,000 under $5,000,000	1,834	2,088	209	90,162	3,778,560	566,784	90,271	88,775,562	13,316,337	87,543	5,104,543	1,276,136
$5,000,000 under $10,000,000	472	588	59	22,057	930,937	139,641	23,728	65,141,852	9,771,278	21,432	1,259,055	314,764
$10,000,000 or more	378	451	45	13,536	567,994	85,199	15,439	230,352,590	34,552,889	13,151	768,807	192,202

Footnotes at end of table.

Table 3.5--Returns with Modified Taxable Income: Tax Generated, by Rate and by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Size of adjusted gross income	Tax generated at specified rate--continued								
	25 percent (capital gains)			28 percent			28 percent (capital gains)		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
Total	**855,216**	**15,384,573**	**3,846,240**	**6,626,142**	**270,372,582**	**75,704,323**	**97,447**	**2,339,269**	**654,998**
Under $2,000	–	–	–	–	–	–	–	–	–
$2,000 under $4,000	–	–	–	–	–	–	–	–	–
$4,000 under $6,000	–	–	–	–	–	–	–	–	–
$6,000 under $8,000	–	–	–	–	–	–	–	–	–
$8,000 under $10,000	–	–	–	–	–	–	–	–	–
$10,000 under $12,000	–	–	–	–	–	–	–	–	–
$12,000 under $14,000	–	–	–	–	–	–	–	–	–
$14,000 under $16,000	–	–	–	–	–	–	–	–	–
$16,000 under $18,000	–	–	–	–	–	–	–	–	–
$18,000 under $20,000	–	–	–	–	–	–	–	–	–
$20,000 under $25,000	–	–	–	–	–	–	–	–	–
$25,000 under $30,000	–	–	–	–	–	–	–	–	–
$30,000 under $40,000	* 1,007	* 4	* 1	–	–	–	–	–	–
$40,000 under $50,000	11,120	1,200	301	* 48	* 780	* 218	* 2,021	* 47	* 13
$50,000 under $75,000	51,452	64,096	16,028	8,384	30,320	8,490	* 7,265	* 7,004	* 1,961
$75,000 under $100,000	80,700	152,427	38,114	436,127	2,682,927	751,220	9,313	7,333	2,054
$100,000 under $200,000	329,317	1,335,992	334,034	2,689,377	62,572,623	17,520,334	44,273	127,974	35,833
$200,000 under $500,000	230,971	3,153,101	788,304	2,671,122	151,986,274	42,556,157	20,580	200,734	56,206
$500,000 under $1,000,000	79,651	2,318,597	579,659	515,690	33,361,697	9,341,275	7,079	201,432	56,401
$1,000,000 under $1,500,000	24,505	1,158,486	289,625	130,574	8,432,599	2,361,128	2,525	146,624	41,055
$1,500,000 under $2,000,000	12,261	732,376	183,096	55,261	3,581,570	1,002,840	1,112	55,610	15,571
$2,000,000 under $5,000,000	22,094	2,160,495	540,127	85,414	5,510,506	1,542,942	2,033	546,318	152,969
$5,000,000 under $10,000,000	7,005	1,340,285	335,072	21,124	1,371,091	383,905	705	354,114	99,152
$10,000,000 or more	5,133	2,967,515	741,879	13,022	842,196	235,815	541	692,078	193,782

Size of adjusted gross income	Tax generated at specified rate--continued								
	33 percent			35 percent			Form 8615		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	**2,589,923**	**237,462,316**	**78,362,564**	**1,002,051**	**622,722,005**	**217,952,702**	**352,987**	**4,203,477**	**863,043**
Under $2,000	–	–	–	–	–	–	31,466	5,285	832
$2,000 under $4,000	–	–	–	–	–	–	118,109	139,928	24,059
$4,000 under $6,000	–	–	–	–	–	–	54,996	161,414	25,463
$6,000 under $8,000	–	–	–	–	–	–	31,964	135,053	25,264
$8,000 under $10,000	–	–	–	–	–	–	24,547	163,725	26,404
$10,000 under $12,000	–	–	–	–	–	–	12,409	102,259	16,219
$12,000 under $14,000	–	–	–	–	–	–	15,954	159,975	29,507
$14,000 under $16,000	–	–	–	–	–	–	11,522	144,121	21,977
$16,000 under $18,000	–	–	–	–	–	–	* 6,555	* 97,919	* 17,700
$18,000 under $20,000	–	–	–	–	–	–	* 1,972	* 32,480	* 5,005
$20,000 under $25,000	–	–	–	–	–	–	9,577	169,372	36,064
$25,000 under $30,000	–	–	–	–	–	–	7,543	193,781	42,016
$30,000 under $40,000	–	–	–	–	–	–	8,489	270,778	63,051
$40,000 under $50,000	–	–	–	–	–	–	* 4,179	* 182,307	* 40,101
$50,000 under $75,000	* 96	* 1,457	* 481	–	–	–	* 3,430	* 199,343	* 35,804
$75,000 under $100,000	564	7,025	2,318	–	–	–	* 5,873	* 450,079	* 101,647
$100,000 under $200,000	101,382	1,885,491	622,212	1,437	10,625	3,719	* 2,862	* 378,560	* 68,498
$200,000 under $500,000	1,697,958	121,062,409	39,950,595	272,377	12,894,416	4,513,046	* 761	* 253,296	* 66,718
$500,000 under $1,000,000	494,241	71,350,085	23,545,528	448,687	102,301,308	35,805,458	* 521	* 336,665	* 70,445
$1,000,000 under $1,500,000	125,696	18,318,581	6,045,132	117,644	73,700,373	25,795,131	* 122	* 151,539	* 37,882
$1,500,000 under $2,000,000	53,312	7,812,853	2,578,241	50,403	49,418,977	17,296,642	* 33	* 53,842	* 13,939
$2,000,000 under $5,000,000	83,092	12,097,580	3,992,201	79,085	144,810,466	50,683,663	83	271,098	63,604
$5,000,000 under $10,000,000	20,690	3,032,145	1,000,608	19,821	79,616,978	27,865,942	** 20	** 150,658	** 30,844
$10,000,000 or more	12,892	1,894,690	625,248	12,597	159,968,864	55,989,102	**	**	**

* Estimate should be used with caution because of the small number of sample returns on which it is based

** Data combined to avoid disclosure of information for specific taxpayers

[1] See section 4 for the definition of modified taxable income

NOTE: Detail may not add to totals because of rounding

Table 3.6--Returns with Modified Taxable Income [1]: Taxable Income and Tax Classified by Each Rate at Which Tax Was Computed and by Marital Status

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Tax rate class	All returns			Joint returns and returns of surviving spouses			Returns of married persons filing separately		
	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All tax rates	**106,658,774**	**5,580,354,544**	**1,061,277,890**	**45,391,852**	**3,849,427,406**	**758,084,535**	**2,174,867**	**117,178,658**	**24,540,390**
5 percent	12,761,691	71,118,752	3,555,938	7,105,969	47,201,096	2,360,055	129,275	705,381	35,269
10 percent	105,189,855	1,033,637,088	103,363,709	44,930,813	622,134,651	62,213,465	2,157,296	15,168,422	1,516,842
10 percent (Form 8814)	175,397	139,646	13,993	146,302	123,309	12,352	147	127	13
15 percent	78,987,673	1,827,399,429	274,109,914	37,501,697	1,210,659,130	181,598,870	1,841,905	28,869,004	4,330,351
15 percent (capital gains)	13,103,694	710,432,860	106,564,929	8,466,662	532,085,641	79,812,846	195,768	25,535,216	3,830,282
25 percent	29,370,033	785,142,547	196,285,637	15,531,094	522,206,066	130,551,517	721,910	11,912,753	2,978,188
25 percent (capital gains)	855,216	15,384,573	3,846,143	576,487	11,738,561	2,934,640	16,552	525,433	131,358
28 percent	6,626,142	270,372,582	75,704,323	4,409,201	193,771,718	54,256,081	185,834	3,738,943	1,046,904
28 percent (capital gains)	97,447	2,339,269	654,995	67,238	1,633,442	457,364	1,136	148,195	41,495
33 percent	2,589,923	237,462,316	78,362,564	2,072,964	193,424,034	63,829,931	80,846	3,581,338	1,181,842
35 percent	1,002,051	622,722,005	217,952,702	845,900	514,449,757	180,057,415	31,179	26,993,847	9,447,846
Form 8615	352,987	4,203,477	863,043	–	–	–	–	–	–

Tax rate class	Returns of heads of households			Returns of single persons		
	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(10)	(11)	(12)	(13)	(14)	(15)
All tax rates	**13,526,875**	**301,094,986**	**46,806,046**	**45,565,179**	**1,312,653,493**	**231,846,919**
5 percent	496,751	2,216,652	110,833	5,029,697	20,995,622	1,049,781
10 percent	13,478,568	112,701,455	11,270,145	44,623,178	283,632,560	28,363,256
10 percent (Form 8814)	24,325	13,527	1,358	4,624	2,683	271
15 percent	7,697,144	114,360,061	17,154,009	31,946,927	473,511,234	71,026,685
15 percent (capital gains)	359,663	15,441,129	2,316,169	4,081,600	137,370,874	20,605,631
25 percent	1,489,080	31,979,513	7,994,878	11,627,948	219,044,214	54,761,054
25 percent (capital gains)	20,151	393,496	98,374	242,026	2,727,084	681,771
28 percent	145,909	5,943,713	1,664,240	1,885,198	66,918,208	18,737,098
28 percent (capital gains)	3,146	33,349	9,338	25,927	524,284	146,799
33 percent	58,855	5,876,505	1,939,247	377,259	34,580,440	11,411,545
35 percent	21,595	12,135,587	4,247,455	103,377	69,142,814	24,199,985
Form 8615	–	–	–	352,987	4,203,477	863,043

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] See section 4 for the definition of modified taxable income.

NOTE: Detail may not add to totals because of rounding

Table 3.7--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Age

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Age [1]	All returns	Tax credits							
		Total		Child care credit		Credit for the elderly and disabled		Child tax credit	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	**138,394,754**	**46,091,502**	**58,938,971**	**6,466,792**	**3,486,637**	**98,261**	**14,571**	**25,741,511**	**31,741,551**
Under 18	3,171,465	186,527	32,846	* 301	* 30	--	--	* 10,046	* 9,235
18 under 35	45,860,531	14,320,821	15,000,454	2,625,621	1,510,136	--	--	8,378,831	9,180,097
35 under 45	26,539,754	13,703,304	21,883,103	2,818,753	1,515,013	--	--	10,654,491	14,750,558
45 under 55	25,642,275	10,147,909	14,181,575	897,451	402,118	--	--	5,509,391	6,591,236
55 under 65	18,418,709	4,699,119	5,517,426	115,434	54,410	* 5,031	* 886	1,042,239	1,074,529
65 and over	18,762,020	3,033,822	2,323,566	9,232	4,930	93,230	13,685	146,513	135,897

Age [1]	Tax credits--continued									
	Education credit		Retirement savings contribution credit		Residential energy credits		Adoption credit		Earned income credit used to offset income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
All returns, total	**7,725,138**	**7,022,420**	**5,192,133**	**893,957**	**4,344,189**	**1,000,149**	**93,369**	**351,184**	**2,960,172**	**797,162**
Under 18	* 3,007	* 2,416	--	--	--	--	--	--	--	--
18 under 35	3,772,140	2,921,327	1,866,220	254,951	571,470	120,026	20,535	58,266	1,005,293	199,559
35 under 45	1,407,983	1,289,894	1,197,178	188,069	1,007,624	233,375	42,250	172,375	828,418	267,449
45 under 55	1,830,305	2,061,975	1,213,535	228,675	1,229,149	288,331	22,505	87,245	807,188	251,579
55 under 65	648,613	689,880	725,528	172,932	941,552	226,296	6,656	27,278	295,686	70,282
65 and over	63,089	56,929	189,672	49,329	594,394	132,121	1,422	6,021	23,586	8,293

Age [1]	Tax credits--continued									
	Minimum tax credit		Foreign tax credit		General business credit		Empowerment zone and community renewal credit		Other tax credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
All returns, total	**359,098**	**1,032,247**	**6,418,317**	**10,958,470**	**386,681**	**1,302,464**	**32,209**	**120,603**	**79,911**	**168,593**
Under 18	* 812	* 159	170,787	16,581	1,009	1,710	* 997	* 204	* 663	* 2,512
18 under 35	12,744	22,290	663,490	622,011	34,329	61,178	591	2,707	14,861	35,138
35 under 45	67,389	175,876	851,209	3,066,048	57,753	166,320	9,779	17,182	16,378	28,504
45 under 55	108,268	353,558	1,317,103	3,456,547	108,369	383,643	9,741	34,211	16,638	29,550
55 under 65	100,101	314,470	1,437,742	2,411,664	93,684	372,946	7,187	41,736	21,123	49,663
65 and over	69,783	165,895	1,977,985	1,385,618	91,536	316,667	3,915	24,564	10,249	23,226

Footnotes at end of table.

Table 3.7--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Age--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Age [1]	Income tax after credits		Total income tax		All other taxes					
					Total		Penalty tax on qualified retirement plans		Self-employment tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All returns, total	**92,740,926**	**1,023,916,399**	**92,740,927**	**1,023,920,139**	**22,616,201**	**53,821,990**	**5,148,030**	**4,347,720**	**17,074,708**	**47,842,244**
Under 18	1,187,135	1,178,582	1,187,135	1,178,582	77,120	39,016	* 2,294	* 354	66,703	28,260
18 under 35	26,442,250	108,619,329	26,442,250	108,620,877	5,381,201	6,827,501	1,421,869	636,534	3,860,572	6,109,227
35 under 45	17,241,341	210,315,920	17,241,341	210,316,520	5,675,655	13,337,303	1,583,863	1,350,214	4,147,473	11,704,714
45 under 55	19,486,503	301,150,673	19,486,504	301,152,210	5,692,364	16,843,596	1,494,378	1,673,401	4,280,822	14,792,978
55 under 65	15,130,643	240,582,430	15,130,643	240,582,486	3,773,263	11,880,225	584,435	628,099	3,043,610	10,876,212
65 and over	13,253,055	162,069,464	13,253,055	162,069,464	2,016,597	4,894,348	61,189	59,119	1,675,527	4,330,854

Age [1]	All other taxes--continued				Earned income credit used to offset other taxes		Total tax liability		Tax payments	
	Social security taxes on tip income		Household employment tax						Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)
All returns, total	**355,457**	**73,109**	**225,441**	**917,524**	**4,874,407**	**4,518,182**	**96,815,936**	**1,071,872,816**	**133,577,700**	**1,189,243,053**
Under 18	* 7,298	* 227	* 810	* 10,065	* 5,414	* 6,026	1,236,249	1,211,190	2,286,366	1,213,160
18 under 35	176,625	31,991	12,020	33,014	1,675,538	1,499,252	27,554,083	113,614,323	44,363,140	159,716,910
35 under 45	74,987	16,385	48,062	170,055	1,525,035	1,601,150	18,172,781	221,364,023	25,749,206	261,101,013
45 under 55	52,743	11,553	35,955	137,302	1,121,011	1,055,050	20,388,276	316,651,465	25,088,300	341,294,983
55 under 65	30,835	8,543	32,177	127,613	464,757	302,157	15,735,168	252,123,417	17,993,546	262,648,739
65 and over	12,970	4,409	96,418	439,476	82,652	54,547	13,729,379	166,908,398	18,097,143	163,268,248

Age [1]	Tax payments--continued									
	Income tax withheld		Estimated tax payments		Additional child tax credit		Payments with request for extension of filing time		Excess social security taxes withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)
All returns, total	**120,500,889**	**843,094,979**	**11,128,072**	**252,998,613**	**15,590,592**	**16,248,889**	**1,758,125**	**86,530,919**	**1,443,437**	**2,288,806**
Under 18	2,175,705	513,672	71,392	407,400	14,388	18,565	62,095	289,357	* 8	* 48
18 under 35	42,732,545	146,160,518	633,423	8,371,703	7,149,943	7,099,412	166,481	3,871,615	169,027	229,936
35 under 45	23,965,977	206,229,974	1,148,309	37,125,427	5,473,302	6,276,962	324,045	15,987,260	472,115	749,862
45 under 55	23,129,103	248,693,505	1,962,599	66,584,215	2,373,081	2,358,071	461,073	24,205,038	513,028	845,128
55 under 65	16,148,641	174,168,277	2,300,119	64,899,592	493,279	428,180	399,307	22,546,300	248,229	393,513
65 and over	12,348,917	67,329,034	5,012,230	75,610,276	86,600	67,699	345,123	19,631,349	41,028	70,318

Footnotes at end of table.

Table 3.7--All Returns: Tax Liability, Tax Credits, and Tax Payments, by Age--Continued

(All returns are estimates based on samples--money amounts are in thousands of dollars)

Age [1]	Tax payments--continued						Earned income credit refundable portion		Federal telephone excise tax credit	
	Credit for Federal tax on gasoline and special fuels		Credit from regulated investment companies		Health coverage credit					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)
All returns, total	**318,754**	**85,905**	**84,547**	**52,199**	**22,397**	**27,567**	**20,268,821**	**39,072,222**	**96,873,353**	**4,164,063**
Under 18	--	--	--	--	--	--	24,216	36,276	71,437	2,682
18 under 35	29,554	22,542	1,658	2,174	* 1,631	* 576	9,543,828	19,398,434	25,049,867	1,057,845
35 under 45	44,403	14,394	3,812	1,888	* 700	* 864	5,626,905	11,360,427	20,088,432	991,343
45 under 55	91,794	20,862	14,120	14,214	* 5,610	* 9,389	3,536,052	6,136,229	20,376,826	922,632
55 under 65	78,773	15,959	20,619	10,334	12,164	12,633	1,266,801	1,710,363	15,101,156	602,132
65 and over	74,229	12,149	44,338	23,589	2,292	4,106	271,019	430,492	16,185,634	587,428

Age [1]	Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
	Total		Refunded		Credited to 2007 estimated tax					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)
All returns, total	**109,915,823**	**295,796,995**	**107,001,071**	**250,941,390**	**3,978,421**	**44,855,606**	**26,694,105**	**126,289,889**	**6,496,924**	**1,770,962**
Under 18	2,078,092	513,594	2,042,749	413,141	36,851	100,453	736,968	461,887	62,191	4,724
18 under 35	40,869,720	81,223,282	40,676,913	79,476,615	258,798	1,746,668	4,551,638	9,103,873	705,413	118,485
35 under 45	22,337,390	78,208,739	22,007,188	71,187,678	460,513	7,021,060	4,021,122	21,895,085	1,073,313	346,584
45 under 55	19,977,244	67,109,912	19,375,229	55,090,030	800,670	12,019,882	5,505,513	34,806,221	1,500,224	536,485
55 under 65	13,078,251	42,061,043	12,458,574	30,408,717	890,141	11,652,326	5,145,614	29,868,641	1,487,272	433,996
65 and over	11,575,126	26,680,426	10,440,418	14,365,208	1,531,448	12,315,217	6,733,250	30,154,182	1,668,510	330,687

* Estimate should be used with caution due to the small number of sample returns on which it is based.

[1] Age for joint returns was based on the primary taxpayer's age.

NOTE: Detail may not add to total because of rounding

Section 4

Explanation of Terms

The Explanation of Terms section is designed to clarify the statistical content of this report and should not be construed as an interpretation of the Internal Revenue Code, related regulations, procedures, or policies.

The definitions and explanation in this section relate to column or row titles used in one or more tables in this report. They provide background or limitations to such titles, and are necessary to interpret the statistical tables to which they relate. For each of these titles, the line number of the tax form on which it is reported appears after the title. Definitions marked with the symbol Δ have been revised for 2006 to reflect changes in the law.

Additional Child Tax Credit Δ

(line 68, Form 1040)

See "Child Tax Credit."

Additional Standard Deduction

(included in line 40, Form 1040)

See "Standard Deduction."

Additional Taxes

(line 44, Form 1040)

Taxes calculated on Form 4972, *Tax on Lump-Sum Distributions* were reported here.

Adjusted Gross Income Less Deficit Δ

(line 37, Form 1040)

Income that had to be reported for the calculation of total income (line 22, Form 1040) and of adjusted gross income included the following:

- Compensation for services, including wages, salaries, fees, commissions, tips, taxable fringe benefits, and similar items;
- Taxable interest received;
- Ordinary dividends and capital gain distributions;
- Taxable refunds of state and local income taxes;
- Alimony and separate maintenance payments;
- Net income derived from a business, profession, or farm;
- Net gain from the sale of capital assets;
- Net gain from the sale of business

property;
- Taxable amounts of annuities, pensions, and individual retirement arrangement (IRA) distributions;
- Rents and royalties;
- Distributive share of partnership or S corporation net income;
- Net income from an estate or trust;
- Unemployment compensation;
- Taxable amounts of social security and railroad retirement (Tier 1) payments;
- Taxable distributions from a Coverdell education savings account or qualified tuition program;
- Taxable distributions from a health savings account (HSA) or Archer MSA;
- Prizes, awards, and gambling winnings;
- Jury duty pay;
- Amounts received that were claimed as a deduction or credit in a prior year;
- Bartering income;
- Alaska permanent fund dividends; and
- Alternative trade adjustment assistance
- Income from an activity not engaged in for profit;
- Loss on certain corrective distributions of excess deferrals;
- Dividends on insurance policies if they exceeded the total of all net premiums paid;

payments;

Some reported income was fully or partially excluded from total income for 2006. The following is a list of such items:
- The cost basis of pension, annuity, or IRA payments or distributions;
- Tax-exempt interest;
- Limited exclusion of social security benefits and railroad retirement benefits (only required to be reported if there was also a taxable amount);
- Limited exclusion of qualified foreign earned income;
- Exclusion of part or all of the gain from sale of principal residence up to $250,000 ($500,000 on joint returns); and

From total income, the following statutory adjustments (lines 23 through 35, Form 1040) were subtracted to arrive at adjusted gross income (line 37, Form 1040):
- Archer MSA deduction;
- Educator expenses;
- Certain business expenses of reservists, performing artists, and fee-basis government officials;
- Health savings account deduction;
- Moving expenses;
- One-half of self-employment tax;
- Contributions to self-employed retirement plans (Keogh or simplified employee pension) and certain contributions to IRAs;
- Self-employed health insurance deduction;
- Forfeited interest and penalties incurred by persons who made premature withdrawals of funds from time savings accounts;
- Alimony payments;
- IRA deductions;
- Certain student loan interest;
- Amount of jury duty pay reported on line 21, Form 1040, that was repaid to employers;
- Tuition and fees deduction;
- Domestic production activities deduction;
- Deductible expenses related to income on line 21 from the rental of personal property engaged in for profit;
- Forestation or reforestation expenses;
- Foreign housing exclusion;
- Repayments of supplemental unemployment compensation;
- Attorney fees and court costs paid after October 22, 2004, for actions settled or decided after that date involving certain unlawful discrimination claims but only to the extent of gross income from such actions; and

A deficit occurred if the allowable exclusions and deductions exceeded gross income, (i.e., the amount on line 36 was greater than the amount on line 22).

Adjusted Gross Income or Loss

See "Adjusted Gross Income Less Deficit."

Adjustments

See "Statutory Adjustments."

Adoption Credit Δ

(line 54b, Form 1040)

Generally, this nonrefundable credit (reported on Form 8839) was available to taxpayers who paid qualified adoption expenses in 2005 for an adoption that was not final at the end of 2005, or for qualified expenses paid in 2006, for an adoption that was final in or before 2006. The credit could have been as much as $10,960 for each child.

Advance Earned Income Credit Payments

(line 61, Form 1040)

Taxpayers who believed they would be eligible for the earned income credit at the end of the year could have received part of the credit from their employers as an additional payment in their paychecks during the year. Those payments were then shown on the tax return where they either increased the balance due amount or reduced the amount of the overpayment.

Alimony Paid

(line 31a, Form 1040)

Payments made as alimony or separate maintenance counted as a deduction (an adjustment to total income) for the person paying them.

Alimony Received

(line 11, Form 1040)

Payments received as alimony or separate maintenance were income to the person receiving them.

All Other Taxes

(lines 58, 59, 60, 62, 63 Form 1040)

For the statistics in this report, this amount represents the sum of the self-employment tax; additional tax on health savings account distributions; additional tax on Archer MSA distributions; additional tax on Medicare Advantage MSA distributions; tax from the recapture of the investment credit, the low income housing credit, qualified electric vehicle credit, the Indian employment credit, the new markets credit and credit for employer provided child care facilities; social security and Medicare taxes on tip income, penalty tax on qualified retirement plans; household employment taxes, recapture of federal mortgage subsidy, and other unspecified taxes which included uncollected FICA (or social security) tax on tips; excess golden parachute payments; section 72 penalty taxes; excise tax on stock compensation from an expatriated corporation; an additional tax on income from a nonqualified deferred compensation plan; interest of the tax due from the sale of residential lots and timeshares; and the statistics included tax from recapture of education credits. This differs slightly from the "other taxes" portion of the Form 1040 itself, which included the taxes listed above plus the advance earned income credit payments, received. Another item that is not included in all other taxes but instead is included in "total income tax" is tax from Form 4970, *Tax on Accumulation Distribution of Trusts*. (See also "Taxable and Nontaxable Returns" and "Total Income Tax.")

Alternative Minimum Tax Δ

(line 45, Form 1040)

The Revenue Act of 1978 established the alternative minimum tax to ensure that a minimum amount of income tax was paid by taxpayers who might otherwise be able to legally reduce, or totally eliminate, their tax burdens. The alternative minimum tax (AMT) was levied on income including benefits received in the form of deductions and exclusions, which reduced an individual's regular effective tax rate. These benefits, known as "alternative minimum tax preferences and adjustments," resulted from the treatment that the tax law gave to particular income and expense items. Alternative minimum taxable income (line 28, Form 6251) was defined as taxable income for ordinary income tax purposes adjusted for net operating losses from other tax years plus the amount of adjustments and preferences.

Alternative minimum taxable income (AMTI) was then reduced by an exemption amount determined by filing status and AMTI. If the return was filed jointly by a married couple or a surviving spouse, the maximum amount of the exemption was $62,550. The maximum amount for a single or head of household taxpayer was $42,500, and for a married couple filing separately, $31,275. The AMT exclusion was phased out if AMTI exceeded certain levels. For single taxpayers, the phase-out began at $112,500 and ended at $282,500. For joint returns the range was $150,000 to $400,200, and for married couples filing separately, the range was $75,000 to $200,100.

If there was an amount remaining after subtracting the exemption, the first $175,000 (the first $87,500 if married filing separately) was taxed at a 26 percent rate; any excess was taxed at a 28 percent rate, except that capital gains were taxed at the same rates under the AMT as under the regular income tax. This amount was then reduced by the recalculated alternative minimum tax foreign tax credit, and regular income tax before credits (line 44, Form 1040 minus the regular foreign tax credit, line 47, Form 1040) to arrive at the alternative minimum tax.

Personal credits (such as the child tax credit, child care credit, etc.) could be taken against the AMT.

Archer Medical Savings Account Deduction Δ

(line 23, Form 1040)

Certain taxpayers who were covered only by a high-deductible health plan were able to participate in the Archer medical savings account program. The taxpayer was allowed to take a deduction of up to $1,755 (4,087.50 for a family) a year for contributions to a medical savings account. The Archer medical savings accounts were used to pay for medical expenses not reimbursable by medical insurance. Form 8853, Archer MSA's and Long-Term Care Insurance Contracts, was used for the medical savings accounts.

Basic Standard Deduction Δ

(included in line 40, Form 1040)

See "Standard Deduction."

Business or Profession Net Income or Loss

(line 12, Form 1040)

This source of income or loss was reported by individuals who were sole proprietors of a nonfarm business, including self-employed members of a profession.

If two or more sole proprietorships were operated by the same taxpayer, the single amount of net income or loss included in the adjusted gross income represented the combined net income and loss from all sole proprietorships. The proprietor was required to exclude investment income from business profits and include it, instead, with the various types of investment income for which separate provisions were made on the individual income tax return.

Total expenses (line 28, Schedule C) were deducted from gross income (line 7, Schedule C) to arrive at a tentative profit or loss. Expenses for business use of the taxpayer's home (line 30, Schedule C) were then deducted to arrive at net income or loss. Compensation of the proprietor was included in computing net income, and was not allowed as a business deduction. The deduction of net operating losses from previous years was not considered a business expense, but was offset against "Other Income" (line 21, Form 1040).

Information on sole proprietorships, business receipts, and expenditures can be found in the Summer 2008 issue of the *Statistics of Income Bulletin*.

Business or Profession Net Income Less Loss

See "Business or Profession Net Income or Loss."

Capital Assets

See "Sales of Capital Assets, Net Gain or Loss."

Capital Gain Distributions Reported on Form 1040

(included in line 13, Form 1040)

Taxpayers who had capital gains strictly from capital gain distributions could enter the amount directly on line 13, Form 1040.

Capital Gain Distributions Reported on Schedule D

(line 13, Schedule D)

See "Sales of Capital Assets, Net Gain or Loss."

Capital Gains and Losses

See "Sales of Capital Assets, Net Gain or Loss."

Casualty or Theft Loss Deduction, Nonbusiness

(line 19, Schedule A)

Nonbusiness casualty and theft losses were deductible, as an itemized deduction, from adjusted gross income to the extent that nonreimbursable net loss for each such casualty or theft exceeded $100, and the combined amount for all net losses during the year exceeded 10 percent of adjusted gross income. Casualty and theft losses that occurred in the Hurricane Katrina, Rita, or Wilma disaster areas after August 24, 2005 were not subject to these limitations. (See also "Total Itemized Deductions.")

Casualty or Theft Loss of Income-Producing Property

(included in line 27, Schedule A)

See "Miscellaneous Itemized Deductions."

Certain business expenses of reservists, performing artists, and fee-basis government officials

(line 24, Form 1040)

Qualified business expenses were deductible for reservists, performing artists, and fee-basis state or local government officials, whether or not the taxpayer itemized their deductions.

Child Care Credit

(line 48, Form 1040)

This credit could be claimed by taxpayers who, while employed or looking for work, incurred expenses for the care of dependent children under age 13, or disabled dependents of any age. Qualified expenses included those for services performed within the home by non-dependent baby-sitters, maids, or cooks. Expenditures paid for the care of children under the age of 13 or any other qualified individuals for out-of-home, non-institutional care qualified for the child care credit. If the taxpayer omitted or used an invalid Social Security number or employer identification number (EIN) for the child care provider, the IRS used mathematical error procedures to change the child care credit.

The maximum amount of care-related expenses on which the credit could be based with one qualifying child or dependent, was the smaller of earned income or $3,000; with more than one dependent the credit was based on the smaller of earned income or $6,000. For returns of married couples filing jointly, earned income refers to the earnings of the spouse with the lesser earned income. Exceptions were allowed if the spouse was disabled or a full-time student.

The credit was equal to 35 percent of eligible expenses for taxpayers with adjusted gross income of $15,000 or less. The credit was reduced by one percentage point for each $2,000 or fraction thereof of adjusted gross income in excess of $15,000 up to $43,000. The credit remained at 20 percent of expenses for individuals with adjusted gross income over $43,000.

The amount of the credit which could be claimed was limited to income tax before credits, and any excess was not refundable.

Child Tax Credit Δ

(line 53, Form 1040)

A credit was allowed for each qualifying child under 17. To be a qualifying child, the person had to be a son, daughter, stepchild, grandchild, adopted child, or qualifying foster child for whom the taxpayer claims a dependent exemption. Taxpayers, who could not claim children as a dependent exemption, may have been able to claim them for the child tax credit, using form 8901. The taxpayer could claim up to $1,000 for each child meeting the AGI phase out guidelines. The credit was phased out by $50 for each $1,000, or fraction thereof, that AGI exceeded: $110,000 for taxpayers filing jointly; $55,000 for married filing separately; and $75,000 for single filers, head of households, or widow(ers).

An additional child tax credit could have been refundable. The taxpayer had to meet the general requirements and some additional requirements. The additional child tax credit was not included in credits but instead as a payment (line 68, Form 1040). The credit limit based on earned income was 15 percent of the taxpayer's earned income that exceeded $11,500. Members of the US Armed Forces, who served in a combat zone, had their nontaxable combat pay count as earned income in figuring this credit.

Contributions Deduction

(lines 15-18, Schedule A)

Taxpayers could deduct contributions to certain organizations that were religious, charitable, educational, scientific, or literary in purpose. Contributions could be in cash, property, or out-of-pocket expenses that a taxpayer paid in doing volunteer work for a qualified organization. Contributions were allowed as an itemized deduction on Schedule A. Cash contributions were generally limited to one-half of the taxpayer's AGI, while contributions of capital gain property were generally limited to 30 percent (20 percent in certain cases) of the taxpayer's AGI. Contributions which could not be deducted due to the AGI limitation could be carried over to future years (and brought over from previous years). For all charitable contributions of $250 or more, a written acknowledgment from the qualified recipient organization was required.

Starting in 2006, taxpayers were able to make a tax free distribution from an Individual Retirement Account to certain charitable organizations if they were at least 70 ½ years old. However, the taxpayer could not take a charitable deduction on Schedule A for the same contribution.

Credit for Federal Tax on Gasoline and Special Fuels Δ

(line 70b, Form 1040)

This refundable credit (claimed on Form 4136) was allowed for federal excise taxes paid on gasoline and special fuels, such as gasohol and diesel fuel, provided the fuel was used for certain purposes (such as farm or non-highway use in a trade or business), bought at a price that included the tax, and a refund of the tax was not requested or received. The credit could reduce unpaid total tax liability or could be refunded.

Credit for the Elderly or Disabled

(line 49, Form 1040)

A credit (claimed on Schedule R) for the elderly or permanently and totally disabled was available to taxpayers age 65 or older (within certain income limitations), and to those taxpayers under age 65 who had retired with a permanent and total disability and who had received taxable income from a public or private employer because of that disability. The income to which the credit could be applied was reduced by nontaxable amounts of social security and railroad retirement benefits, veterans' pensions, and any other pension, annuity, or disability benefits that were excluded from income under any other provisions of the law.

An individual was considered permanently and totally disabled when he or she could not engage in any substantial gainful activity because of a physical or mental condition which had lasted, or was expected to last, at least twelve months, or was determined to be terminal.

The maximum credit available ($1,125) was limited to total income tax with any excess not

refundable, and was reduced if the taxpayer's income exceeded certain levels. Generally, if a taxpayer's income was high enough to require the reporting of social security benefits as taxable income, the taxpayer could not take the credit.

Credit from Regulated Investment Companies

(line 70a, Form 1040)

Taxpayers were required to include in total income any amounts which were allocated to them as undistributed long-term capital gains of regulated investment companies. If investment companies paid tax on the capital gain, taxpayers were entitled to claim a refundable credit (claimed on Form 2439) for their proportionate share of the tax paid.

Credit to 2007 Estimated Tax

(line 75, Form 1040)

This amount was the part of the overpayment of 2006 tax which taxpayers specifically requested to be credited to their estimated tax for 2007. (See also "Overpayment" and "Estimated Tax Payments.")

Deduction of Self-Employment Tax

(line 27, From 1040)

If a taxpayer had income from self-employment and owed self-employment tax, one-half of that tax was deductible for income tax purposes. The amount was subtracted as an adjustment to total income in the calculation of AGI. (See also "Self-Employment Tax.")

Dividends

(lines 9a and 9b, Form 1040)

Ordinary dividend income consisted of distributions of money, stock, or other property received by taxpayers from domestic and foreign corporations, either directly or passed through estates, trusts, partnerships, or regulated investment companies. Ordinary dividends also included distributions from money market mutual funds.

Ordinary dividends did not include nontaxable distributions of stock or stock rights, returns of capital, capital gains, or liquidation distributions. Taxpayers were also instructed to exclude amounts paid on deposits or withdrawable accounts in banks, mutual savings banks, cooperative banks, savings and loan associations, and credit unions, which were treated as interest income.

Qualified dividends are the ordinary dividends received in tax years beginning after 2002 that met certain conditions. These included: the dividend must have been paid by a U.S. corporation or a "qualified" foreign corporation; the stock ownership must have met certain holding period requirements; the dividends were not from certain institutions, such as mutual savings banks, cooperative banks, credit unions, tax-exempt organizations, or farmer cooperatives; and the dividends were not for any share of stock which was part of an employee stock ownership plan (ESOP). The maximum tax rate for qualified dividends was 15 percent (generally 5 percent for taxpayers whose other income was taxed at the 10 percent or 15 percent rate).

Domestic Production Activities Credit

(line 35, Form 1040)

A taxpayer could have deducted up to 3 percent of qualified production activities with some limitations. Activities included construction performed in the United States; engineering or architectural services performed in the United States; and any lease, rental license, sale, exchange. Other dispositions were also deductible, such as tangible personal property, qualified films and electricity, natural gas, or potable water that the taxpayer produced in the United States.

Earned Income Credit Δ

(line 66a, Form 1040)

The earned income credit (EIC) for 2006 was a maximum of $2,747 for one qualifying child, $4,536 for two or more qualifying children, and $412 for taxpayers with no qualifying children. To be eligible for the credit with children, the taxpayers, other than married taxpayers filing

jointly, must have had a qualifying child living with them for more than half the year and have had earned income and adjusted gross income each less than $32,001 ($36,348 if more than one qualifying child). For married filing jointly, earned income and adjusted gross income had to be less than $34,001 for one child and $38,348 for two or more children. To be eligible for the credit without children, the taxpayer must have had earned income and adjusted gross income less than $12,120 ($14,120 for married filing jointly) and the taxpayer (or their spouse) must have been at least 25 years of age and less than 65 years old. The credit was generally based on earned income, consisting of wages, salaries, and other employee compensation, plus net earnings from self-employment. A taxpayer, who was a member of the US Armed Forces and served in a combat zone, had certain pay excluded from their income. The taxpayer could have elected to include this pay in earned income when figuring the EIC. Taxpayers with investment income totaling more than $2,800 were not eligible to receive the EIC. Investment income included interest income (taxable and tax-exempt), dividend income, plus interest and dividend income from Form 8814, and capital gain net income. As in previous years, taxpayers could not take the credit if their filing status was married filing separately, or if they claimed the foreign-earned income exclusion.

For this report, the earned income credit is divided into three parts: the amount used to offset income tax before credits (limited to the amount needed to reduce income tax after credits to zero); the amount used to offset all other taxes (limited to the amount needed to reduce total tax liability to zero); and the refundable portion. (See also "Advance Earned Income Credit Payments.")

Earned Income Credit, Refundable Portion

See "Earned Income Credit."

Earned Income Credit Used to Offset Income Tax Before Credits

See "Earned Income Credit."

Earned Income Credit Used to Offset Other Taxes

See "Earned Income Credit."

Education Credits Δ

(line 50, Form 1040)

There were two credits available, the Hope credit and the Lifetime Learning credit. A taxpayer was only able to claim one of the credits per student, not both. The credits were phased out for AGI between $45,000 and $55,000 ($90,000 and $110,000 for married filing jointly). A taxpayer could not take either credit if they were claimed as a dependent on another return, married filing separately, or took a deduction for tuition and fees for the same student.

The Hope credit allowed a maximum credit per student of 100 percent of the first $1,100 of qualified tuition and related expenses and 50 percent credit of the next $1,100 of eligible expenses for enrollment in undergraduate programs. Also, the credit only applied to the first two years of post-secondary education.

The Lifetime Learning credit could have been used for tuition and expenses for undergraduate, graduate, and professional degree courses. The credit could have been used for an unlimited amount of time, as long as the taxpayer or dependents were enrolled in post-secondary education. The Lifetime Learning credit was a maximum of 20 percent of the first $10,000 of eligible expenses, or $2,000 per return. Education credits were expanded for students attending an eligible education institution in the Gulf Opportunity Zone (GOZ). The Hope credit was increased to 100 percent of the first $2,200 and 50 percent of the next $2,200 for GOZ students. The Lifetime Learning credit was also increased for GOZ students from 20 percent to 40 percent.

Education IRA (Coverdell Education Savings Accounts)

Taxpayers could have made nondeductible contributions up to $2,000 annually to an educational IRA for a child under age 18. The earnings and withdrawals were tax-free to the

extent that withdrawals did not exceed the beneficiary's qualified higher education expenses for the year. The educational IRA contribution was phased out for modified AGI between $95,000 and $110,000 (between $190,000 and $220,000 for taxpayers married filing jointly) (See also "Individual Retirement Arrangement Deductible Payments.")

Educator Expenses

(included in line 23, Form 1040)

If a taxpayer was an eligible educator in kindergarten through grade 12 in 2006, a deduction of $250 ($500 for two educators filing jointly) qualified expenses may have been taken. This deduction could have been taken even if the taxpayer did not itemize deductions.

Employee Business Expense

See "Unreimbursed Employee Business Expenses."

Empowerment Zone and Renewal Community Employment Credit

(included in line 55c, Form 1040)

Both the empowerment zone and renewal community credits were available to taxpayers for qualified wages paid or incurred during 2006. Parts of designated urban and rural areas in the United States qualified to receive the benefits of this credit.

Estate or Trust Net Income or Loss

(line 37, Schedule E, Part III)

This was the beneficiary's share of fiduciary income (with the exception of the items described below, which were reported separately) from any estate or trust. Income from estates or trusts included amounts required to be distributed, amounts credited to beneficiaries' accounts from current-year fiduciary income (whether or not actually distributed), and any other amounts which were properly paid, credited, or required to be distributed for that year.

Taxpayers excluded their share of dividends and gains or losses from sales of capital assets or other property, from estate or trust income. Such income (which made up the largest portion of income from estates or trusts) was included on the tax return on the separate lines provided for these income types and was not separately identified for the statistics. A loss from an estate or trust was allocated to the beneficiary only upon settlement or termination of an estate or trust and was limited by the "passive loss" rules.

The columns labeled "net income" and "net loss" represent the sum of all income and losses reported from all estates or trusts, i.e., the net amount computed on a return-by-return basis.

Estate or Trust Net Income Less Loss

See "Estate or Trust Net Income or Loss."

Estimated Tax Payments

(line 65, Form 1040)

This figure represents the total of the tax payments made for 2006 using Form 1040-ES, and any overpayment from the taxpayer's 2005 return that was applied to the 2006 estimated tax. Generally, individuals were required to make estimated tax payments if they expected to owe, after subtracting withholding and credits, at least $1,000 in tax for 2006, and they expected withholding and credits to be less than the smaller of: (a) 90 percent of the tax shown on Form 1040 for 2006, or (b) 100 percent of the tax shown on Form 1040 for 2005 (110 percent of the tax shown on Form 1040 for 2005 for taxpayers with adjusted gross income greater than $150,000 ($75,000 for married filing separately)).

Excess Social Security Taxes Withheld Δ

(line 67, Form 1040)

If a taxpayer earned more than $94,200 in total wages from two or more employers in 2006, too much social security (FICA) or Railroad Retirement Tax Act (RRTA) tax may have been withheld from his or her wages. (There was no wage base limitation for Medicare tax; therefore, all covered wages were subject to Medicare tax.)

Filers claimed credit for such overpayment on their income tax returns. The excess social security, or RRTA, taxes withheld could be taken as a credit toward payment of the taxpayer's income tax, or refunded. In the case of a joint return, the credit was computed separately for each taxpayer.

Exemptions Δ

(lines 6, 42, Form 1040)

In the computation of taxable income, a $3,300 deduction was allowed for each exemption claimed if adjusted gross income was less than $112,875. In general, an exemption was allowed for each taxpayer and dependent shown on a return. If an individual who could be claimed as a dependent by another taxpayer also filed his or her own return, that individual could not claim his or her own exemption or any exemptions for dependents.

With few exceptions, an individual had to meet several requirements to qualify as a dependent for 2006:

1) The individual was related to the taxpayer (such as a son, daughter, or parent);

2) The individual was under age 19 or a full-time student under age 24 or any age and was permanently and totally disabled;

3) The individual did not provide half of his or her support for 2006;

4) The individual lived with the taxpayer for more than half of 2006;

5) The individual met certain citizenship requirements;

6) The individual did not file a joint return with his or her spouse;

These statistics classify the exemptions as children at home, children away from home, parents, and other. For 2006, taxpayers, if they met certain criteria, could have claimed an additional $500 exemption per person (up to $2000) if they provided housing to a person displaced by Hurricane Katrina.

If a taxpayer had AGI above certain levels, his or her personal exemption deduction may have been reduced to one-third of the full amount. For single taxpayers, the phaseout began at $150,500 and was completed at $273,000; for married persons filing jointly and surviving spouses, the phaseout began at $225,750 and was completed at $348,250; for heads of household, the phaseout began at $188,150 and was completed at $310,650; and for married persons filing separately, the phaseout began at $112,875 and was completed at $174,125.

Farm Net Income or Loss

(line 18, Form 1040)

This source of income or loss was reported by individuals who were sole proprietors of farms. When there were two or more farms operated by the same taxpayer, the single amount of profit or loss included in the adjusted gross income represented the combined profit and loss from all farming activities. Farm business total expenses (line 35, Schedule F) were deducted from farm gross income (line 11, Schedule F) to arrive at farm net profit or loss.

Gains from certain sales of livestock and crops that qualified for capital gains treatment were excluded from farm net profit or loss and were included in capital gains. Farm rental income was included in total rent net income or loss. (See also "Farm Rental Net Income or Loss.")

Farm Rental Net Income or Loss

(line 40, Schedule E)

Taxpayers were required to report farm rental income and expenses separately from other farm profit or loss if they: a) received income that was based on crops or livestock produced by the tenant, and b) did not manage or operate the farm to any great extent. This income and expenses were reported on Form 4835 with net income less loss then reported on Schedule E. (See also "Total Rent and Royalty Income or Loss.")

Farm Rental Net Income Less Loss

See "Farm Rental Net Income or Loss."

Federal Telephone Excise Tax Credit Δ
(line 71, Form 1040)

Taxpayers who were billed after February 28, 2003 and before August 1, 2006, for federal telephone excise tax on long distance or bundled service may have taken a credit or refund for Tax Year 2006. Individuals were eligible to receive this credit even if they owed no tax. Taxpayers could request the standard amount based on the number of exemptions claimed on their return (number of exemptions: 0 = $0, 1 = $30, 2 = $40, 3 = $50, 4 or more = $60) or the actual amount shown on the taxpayers long distance records. Individuals who did not otherwise have to file an income tax return filed a Form 1040EZ-T, Request for Refund of Federal Telephone Excise Tax, in order to obtain their refund.

Filing Status
See "Marital Filing Status."

Foreign-Earned Income Exclusion Δ
(included in line 21, Form 1040)

Qualified taxpayers could exclude from total income a certain amount of their foreign-earned income and employer-provided foreign housing expenses if their home, for tax purposes, was in a foreign country. For 2006, taxpayers had to refigure their tax using the foreign-earned income worksheet. The refigured tax was based on nonexcluded income using the tax tables that would have applied had they not claimed the exclusion.

Qualifying individuals were limited to the lesser of a $82,400 exclusion or their total foreign-earned income. Also, they could elect to exclude a portion of employer-provided foreign housing expenses. If the taxpayer elected to take both the foreign-earned income and foreign housing exclusions, the total amount of both exclusions was limited to the taxpayer's total foreign earned income. The foreign-earned income exclusion was entered as a negative amount on this line by the taxpayer but edited into a separate field during service center processing. The employer-provided foreign housing exclusion was left as part of other income. (See also "Other Income.")

Foreign Housing Deduction Δ
(included in the total on line 36, Form 1040)

Qualified taxpayers who had foreign housing expenses that were not provided by their employer were eligible to deduct these expenses from total income. Starting in 2006, this deduction was generally limited to $24,720. This deduction together with the foreign-earned income exclusion was limited to the total amount of foreign-earned income for 2006.

Foreign Tax Credit
(line 47, Form 1040)

Individuals who paid income or excess profit taxes to a foreign country or U.S. possession could claim either this credit against Federal income tax liability, or take an itemized deduction for the amount of the foreign tax payment. Depending on the taxpayer's income and taxes, the foreign tax credit could be less than the amount of foreign tax paid. Qualifying foreign taxes paid in excess of the allowable amount for Tax Year 2006 could be carried back 1 year and then forward 10 years.

Forms 1040, 1040A, and 1040EZ

The individual income tax system utilizes three major forms to collect income and tax information: the 1040, 1040A, and 1040EZ. A variation of the basic forms is an electronically filed form. Returns of all types were included in the population of returns subjected to sampling, and were classified by the guidelines for filing a standard form (i.e., Forms 1040, 1040A and 1040EZ), discussed below. For example, if a return was filed electronically that could have been a Form 1040EZ had it been filed on paper, it would have been considered a Form 1040EZ in the statistics. However, a paper return that could have been filed on a simpler form is classified by the form on which it was actually filed.

The forms represented different levels of complexity in regard to the information reported. The Form 1040EZ for instance, could only be

used if taxable income was less than $100,000, non-wage income came from only a limited number of sources, and the taxpayer did not itemize deductions. The Form 1040A could only be used if taxable income was less than $100,000, non-wage income came from only a limited number of sources, and the taxpayer did not itemize deductions. The Form 1040 had to be used if taxable income was greater than $100,000. In addition, the taxpayer had to file Form 1040 if he or she itemized deductions or had income (or losses) from a source not provided for on Form 1040A or 1040EZ, used certain tax provisions, or had certain tax credits not on Form 1040A or 1040EZ. (These forms can be found in Section 5, 2006 Forms.)

Gambling Earnings

(included in line 21, Form 1040)

Gambling earnings include proceeds from lotteries, raffles, etc, and are included in line 21, Form 1040. These gambling earnings were edited into a separate field during service center processing. Gambling losses were not allowed to offset winnings on line 21. Instead, gambling losses were an itemized deduction reported on Schedule A. (See also "Gambling Loss Deduction" and "Other Income.")

Gambling Loss Deduction

(included in line 27, Schedule A)

Gambling losses (to the extent of gambling winnings) were fully deductible for taxpayers who itemize deductions. (See also "Gambling Earnings", "Total Itemized Deductions", and "Miscellaneous Itemized Deductions.")

General Business Credit Δ

(line 55a, Form 1040)

The general business credit consisted of the:

- investment credit,
- the work opportunity credit,
- the welfare-to-work credit,
- the research credit,
- the low-income housing credit,
- the enhanced oil recovery credit,
- the disabled access credit,
- the renewable electricity production credit,
- the Indian employment credit,
- the credit for employer social security and Medicare taxes paid on employee tips,
- the orphan drug credit,
- the new markets credit,
- small employer pension plan startup credit
- employer-provided child care facilities and services credit
- qualified railroad track maintenance credit,
- biodiesel fuels credit,
- low sulfur diesel fuel production credit,
- distilled spirits credit,
- nonconventional source fuel credit,
- energy efficient home credit,
- energy efficient appliance credit,
- alternative motor vehicle credit,
- alternative fuel vehicle refueling property credit,
- the community development corporation credit,
- mine rescue team training credit,
- the credit from electing large partnerships,
- and credit for employers affected by Hurricane Katrina, Rita, or Wilma

Taxpayers claiming more than one of the credits were required to summarize them on Form 3800, *General Business Credit*. The general business credit was limited to 100 percent of the first $25,000 ($12,500 for a married couple filing separately) of tax liability and 25 percent of the excess over $25,000. If the current year general business credit exceeded the tax liability limitation, the excess amount could be carried back to the preceding tax year, then forward 20 years.

General Sales Tax Deduction

See "Sales Tax Deduction."

Health Coverage Credit (formerly Health Insurance Credit)

(line 70c, Form 1040)

A taxpayer who was an eligible trade adjustment assistance (TAA), alternate TAA, or Pension Benefit Guaranty Corporation pension recipient was able to take the credit. A taxpayer could not take the credit if they were covered under any employer-sponsored health plan. The credit was equal to 65 percent of the amount the taxpayer paid for qualified health insurance for 2006 minus any Archer medical savings account and health savings account (HSA) distributions used to pay the amount.

Health Savings Account Deduction Δ

(line 25, Form 1040)

A taxpayer could have taken a deduction for contributions to a Health Savings Account. The deduction was limited to the annual deductible on the qualifying high deductible health plan, but not more than $2,700 ($5,450, if family coverage). These limits were $700 higher if the taxpayer was age 55 or older ($1,400 higher if both spouses were 55 or older). A taxpayer could not contribute to an HSA starting the first month he or she was enrolled in Medicare.

Home Mortgage Interest Deduction

(lines 10+11, Schedule A)

See "Interest Paid Deduction."

Household Employment Taxes Δ

(line 62, Form 1040)

Taxpayers paying domestic employees more than $1,500 generally had to pay social security and Medicare taxes for these employees with their income tax return by filing Schedule H, *Household Employment Taxes*.

Income Subject to Tax

See "Modified Taxable Income."

Income Tax After Credits

(line 57 minus part or all of line 66a, Form 1040)

To arrive at income tax after credits, taxpayers deducted total credits (line 56, Form 1040) from income tax before credits (line 46, Form 1040). For the statistics, tax was further reduced by the portion of the earned income credit which did not result in a negative tax. This portion of the earned income credit was included in the total credits as "earned income credit used to offset income tax before credits." Any tax remaining after subtraction of all credits and the earned income credit was tabulated as "income tax after credits."

Income Tax Before Credits

(line 46, Form 1040)

This amount consisted of the tax liability on taxable income, computed by using the tax tables, tax rate schedules, Schedule D Tax worksheet, Schedule J (Income averaging for farmers and fishermen), or Form 8615, plus Form(s) 8814 (line 44a), any additional taxes from Form 4972 (line 44b), and the alternative minimum tax (line 45). (See also "Tax Generated.")

Income Tax Withheld

(line 64, Form 1040)

Income tax withheld included amounts deducted from salaries, wages, and tips, as reported on Form W-2; deducted from pensions, annuities, and certain gambling winnings as reported on Forms 1099-R and W-2G; and withheld from distributions of profit-sharing, retirement plans, and individual retirement accounts, as reported on Form 1099-R.

In some cases, a backup withholding rate of 31 percent was required for interest, dividend, and royalty payments which, generally, were not subject to withholding.

Individual Retirement Arrangement (Deductible) Payments Δ

(line 32, Form 1040)

An individual retirement arrangement (IRA) is a savings program that generally allows a taxpayer

to set aside money for retirement. In addition to the traditional IRA, there were two other plans for the taxpayer: the education IRA and the Roth IRA. Information on these two IRA's can be found under their separate headings.

Taxpayers not covered by an employment retirement plan may have been able to deduct all contributions to a traditional IRA. For taxpayers covered by a retirement plan at work, the traditional IRA deduction phased out between $75,000 and $85,000 of modified AGI for married persons filing jointly and surviving spouses; between $50,000 and $60,000 for single filers, heads of households, or married filing separately taxpayers living apart; and between $0 and $10,000 for married filing separately taxpayers living together. If one spouse was an active participant in an employer plan but the other was not, the deduction for the IRA contribution of the spouse not covered by an employer plan phased out between modified AGI of $150,000 and $160,000. Deductible contributions could be subtracted from the employee's total income in arriving at adjusted gross income.

Contributions to an IRA (whether or not they were deductible) were limited to the lesser of: (a) the individual's taxable compensation for the year, or (b) $4,000 ($5,000 if age 50 or older). Married couples filing a joint return could contribute up to $4,000 ($5,000 if age 50 or older) to each spouse's IRA, even if one spouse had minimal or no compensation. Therefore, the total combined IRA contributions could be up to $8,000 ($10,000 if age 50 or older) for a year.

Unless they were disabled, taxpayers could not start withdrawing funds from the traditional account until they reached age 59-1/2. After age 70-1/2 taxpayers were required to begin withdrawals. Penalty taxes were assessed if the taxpayer failed to comply with these limitations. The additional tax on early withdrawals from a traditional IRA was eliminated if the distributions were used for qualified higher education expenses. This additional tax was also eliminated on distributions up to $10,000 from traditional or Roth IRA's if the distributions were used to buy, build, or rebuild a qualified first home.

Payments to an IRA for a particular taxable year had to be made no later than the due date of the individual's return for that year. (See also "Roth IRA" and "Education IRA.")

Individual Retirement Arrangement Taxable Distributions Δ

(line 15b, Form 1040)

Any money or property received from a taxpayer's IRA account was considered a distribution and, generally, had to be included in the taxpayer's total income in the year received. Exempted from this rule were tax-free roll-over distributions from one retirement account to another, distributions where the payout represented previously taxed non-deductible IRA contributions, distributions from a Roth IRA, and distributions from an IRA made directly by the trustee to a qualified charitable organization where the taxpayer was at least 70 ½ when the distribution was made. If a taxpayer converted from a traditional IRA to a Roth IRA, the taxpayer was required to include in gross income the amount that they would have reported in income if they had made a withdrawal from this IRA. The taxpayer did not include in gross income any part of the conversion that was a nondeductible contribution in a traditional IRA. Starting in 2005, qualified hurricane distributions by Hurricanes Katrina, Rita, and Wilma. were not subject to the additional 10 percent tax on early distributions by taxpayers affected

Interest Paid Deduction

(line 14, Schedule A, includes all lines 10-13)

The rules for deducting home mortgage interest for 2006 were: (1) if a taxpayer took out a mortgage before October 13, 1987, secured by the taxpayer's main or second home, all the interest was deductible, (2) if the taxpayer's mortgage was after October 13, 1987, and the funds were used to buy, build, or improve that home, all interest could be deducted if the total of all mortgages on the property was $1 million or less ($500,000 if married filing separately), and (3) taxpayers could deduct all of the interest on an additional $100,000 ($50,000 if married filing separately) of mortgages on their main or second home other than to buy,

build, or improve that home.

Generally, investment interest (interest paid on money borrowed that is allocable to property held for investment) was fully deductible up to the amount of net investment income. Beginning in 1993, the net investment income that was to be compared to investment interest could not include any net capital gains that were taxed on the capital gain tax rates or qualified dividends. Interest relating to business, royalty, and rental income was deducted directly from these items and was not reflected in the interest paid statistics.

Interest Received

See "Taxable Interest Received."

Interest, Tax-Exempt

See "Tax-Exempt Interest."

Investment Interest Expense Deduction

(line 13, Schedule A)

See "Interest Paid Deduction." and "Total Itemized Deductions."

Itemized Deductions

See "Total Itemized Deductions" and specific itemized deductions.

Itemized Deduction Limitation Δ

See "Total Itemized Deductions."

Jury Duty Pay Δ

(line 34, Form 1040)

If a taxpayer gave the jury duty pay to their employer because the employer continued to pay the taxpayer's salary while they served on the jury, the taxpayer could have deducted the amount turned over to the employer, since the jury duty pay was also reported in the taxpayer's total income. For 2006, this jury duty pay was reported on line 34 on Form 1040.

Limited Miscellaneous Deductions

(lines 20-26, Schedule A)

Certain taxpayer expenses could be deducted on Schedule A, but were limited to the amount that exceeded 2 percent of adjusted gross income. These included: unreimbursed employee business expenses (including qualifying educational expenses), tax preparation fees, expenses paid to produce or collect taxable income, and expenses paid to manage or protect property held for earning income (including safe deposit boxes).

Long-Term Capital Gain or Loss

(line 15, Schedule D)

These include gains or losses from sales of capital assets held more than one year. (See also "Sales of Capital Assets, Net Gain or Loss.")

Long-Term Gain or Loss from Other Forms

(line 11, Schedule D)

The other forms include:

- Long-term gains from Forms 4797, 2439, and 6252;
- Long-term gain or loss from Forms 4684, 6781, and 8824

See "Sales of Capital Assets, Net Gain or Loss."

Long-Term Loss Carryover

(line 14, Schedule D)

Long-term capital losses from the prior year Schedule D that are carried over to the current year. (See "Sales of Capital Assets, Net Gain or Loss.")

Marginal Tax Rates

Different portions of taxable income are taxed at different rates. The tax rate applied to the last dollar of income is called the "marginal tax rate" for that return. (See also "Tax Generated.")

Marital Filing Status

(lines 1-5, Form 1040)

The five marital filing status classifications were:

(1) returns of single persons (not heads of household or surviving spouses);

(2) joint returns of married persons;
(3) separate returns of married persons;
(4) returns of heads of household; and
(5) returns of surviving spouses.

Marital filing status was usually determined as of the last day of the tax year. The exception was that if one's spouse died during the tax year, the survivor was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, the taxpayer was considered to be unmarried for the entire year. Surviving spouse status could only be used by those taxpayers whose spouse died in 2004 or 2005, and had a qualifying dependent.

Medical and Dental Expenses Deduction

(lines 1-4, Schedule A)

Qualified medical expenses included nonreimbursed payments made for the diagnosis, treatment, or prevention of disease or for medical or dental insurance. However, taxpayers who took the self-employed health insurance adjustment had to reduce their total premium deduction by the amount of the adjustment (see "Self-Employed Health Insurance"). In general, medical and dental expenses could be claimed as an itemized deduction to the extent that they exceeded 7.5 percent of adjusted gross income. Amounts paid for medicine and drugs were deductible only if they were not available except by prescription or were for insulin. Taxpayers could deduct costs for transportation to obtain medical care and also a maximum of $50 per day for certain lodging expenses incurred while traveling to obtain medical care. (See also "Total Itemized Deductions.")

Medical and Dental Expenses Limitation

(line 3, Schedule A)

See "Medical and Dental Expenses Deduction" and "Total Itemized Deductions."

Medical Savings Account Deduction

See "Archer Medical Savings Account Deduction."

Minimum Tax Credit

(line 55b, Form 1040)

A minimum tax credit could be taken for 2006 by certain taxpayers who paid alternative minimum tax for 2005 or prior years. If all of the minimum tax credit (claimed on Form 8801) could not be used for 2006, the excess could be carried forward to later years.

Miscellaneous Deductions Other Than Gambling

(included in line 27, Schedule A)

Other fully deductible expenses included such items as impairment-related work expenses for disabled persons, and amortizable bonds. (See also "Miscellaneous Itemized Deductions" and "Total Itemized Deductions.")

Miscellaneous Deductions Subject to 2% AGI Limitation

(lines 20-26, Schedule A)

See "Limited Miscellaneous Deductions" and "Miscellaneous Itemized Deductions."

Miscellaneous Itemized Deductions

(lines 20-27, Schedule A)

Miscellaneous itemized deductions were divided into two types. The first, such as employee business expenses, included those items that were limited to the amount that exceeded 2 percent of adjusted gross income, while the expenses of the other types, such as gambling losses not in excess of gambling winnings, and casualty and theft losses of income producing property were fully deductible. (See also "Gambling Loss Deduction," "Limited Miscellaneous Deductions," and "Miscellaneous Deductions Other Than Gambling.")

Modified Taxable Income

"Modified taxable income" is the term used to describe "income subject to tax," the actual base on which tax is computed for the statistics in Tables 3.4 , 3.5, and 3.6. For most taxpayers filing current year returns, modified taxable income is identical to "taxable income." For those returns

with a Form 8814, *Parents' Election To Report Child's Interest and Dividends* attached, modified taxable income includes the sum of all children's interest and dividend income taxed at a 10 percent rate, as well as the parent's taxable income.

For prior year returns included in the 2006 statistics, a modified taxable income was calculated by using the tax rate schedule for 2006 to impute a hypothetical taxable income amount necessary to yield the given amount of tax reported.

A person who has no tax will have no modified taxable income. Since the tax rate schedule is used to generate the modified taxable income, it is possible for a person to have up to four dollars of taxable income but have no modified taxable income because their tax reported would be zero.

Moving Expenses Adjustment
(line 26, Form 1040)

Taxpayers deducted current-year qualified moving expenses in the calculation of adjusted gross income as a statutory adjustment. In order to qualify for this deduction, the new work place had to be at least 50 miles farther from the former residence than the former work place. Deductible expenses included those incurred to move household and personal goods, and travel including lodging en route to the new residence. Expenses no longer deductible included: meals while moving from the old residence to the new residence; travel expenses for pre-move house hunting trips; expenses while occupying temporary quarters in the area of the new job; and qualified residence sale, purchase, and lease expenses.

Net Capital Gain Less Loss in AGI
See "Sales of Capital Assets, Net Gain or Loss."

Net Long-Term Gain or Loss from Sales of Capital Assets
See "Sales of Capital Assets, Net Gain or Loss," also "Long-Term Capital Gain or Loss."

Net Operating Loss
(included in line 21, Form 1040)

Net operating loss was the excess loss of a business when taxable income for a prior year was less than zero. The loss could be applied to the AGI for the current year and carried forward up to 20 years. (See also "Other Income.")

Net Short-Term Gain or Loss from Sales of Capital Assets
See "Sales of Capital Assets, Net Gain or Loss," also "Short-Term Capital Gain or Loss."

Nonconventional Source Fuel Credit Δ
(included in line 55c, Form 1040)

This nonrefundable credit was available to taxpayers who sold fuel produced from a nonconventional source. Examples were coke and coke gas, gas produced from geopressured brine or biomass, and liquid, gaseous, or solid synthetic fuels produced from coal. For 2006 this credit was claimed on line 1s on Form 3800, *General Business Credit.*

Nondeductible Passive Losses
(calculated on Form 8582)

Nondeductible passive losses were calculated by subtracting deductible passive losses reported on Form 8582 (line 16) from total current year passive losses (lines 1b+2a+3b) and were limited to zero.

Nontaxable Returns
See "Taxable and Nontaxable Returns."

Nontaxable Combat Pay Election
(line 66b, Form 1040)

For Tax Year 2006, members of the U.S. Armed Forces who served in a combat zone could have excluded certain pay from their income. The qualified taxpayer's entitlement to the pay must have been fully accrued in a month during which they served in a combat zone or were hospitalized as a result of wounds, disease, or injury incurred

while serving in the combat zone. However, this nontaxable pay was used to gain benefits for both the EIC and additional child tax credit purposes.

One-Half of Self-Employment Tax

See "Deduction for Self-Employment Tax."

Ordinary Dividends

(line 9a, Form 1040)

See "Dividends."

Other Adjustments

(included in line 36, Form 1040)

See "Statutory Adjustments."

Other Income

(line 21, Form 1040)

Included in other income were items such as taxable distributions from a Coverdell education savings account, distributions from qualified tuition programs (though some may be excluded if not more than the taxpayer's qualified higher education expenses), taxable distributions from health savings accounts or Archer MSA's, prizes, awards, jury duty fees, Alaska permanent fund dividends, alternative trade adjustment assistance payments, reimbursements for medical expenses, real estate taxes, or home mortgage interest taken as a deduction in a previous year, children's interest and non-qualified dividends from Form 8814, and any other income subject to tax for which no specific line was provided on the return form. Any foreign-earned income exclusions or "net operating loss" in an earlier year (that was carried forward and deducted for 2006) were entered as a negative amount on this line by the taxpayer but edited into separate fields during service center processing. However, any employer-provided foreign housing exclusions were included in other income (as a negative amount). Gambling earnings, which were entered on this line by the taxpayer, were edited into a separate field during service center processing.

Other Income Less Loss

See "Other Income."

Other Payments

(line 70, Form 1040)

See "Credit for Federal Tax on Gasoline and Special Fuels", "Credit from Regulated Investment Companies", and "Health Coverage Credit" (formally known as Health Insurance Credit).

Other Tax Credits

(included in lines 54c, 55c, 56, Form 1040)

"Other tax credits" is a residual category in the statistics. It includes other miscellaneous credits that did not belong in any other category and were used to offset income tax before credits.

Other Taxes Deduction

(line 8, Schedule A)

Other taxes consisted of any deductible tax other than state and local income taxes, real estate taxes, and personal property taxes. Examples of other taxes are taxes paid to a foreign country or U.S. possession. (See also "Personal Property Tax" and "Taxes Paid Deduction.")

Overpayment

(line 73, Form 1040)

An overpayment of tax occurred when "total tax payments" exceeded "total tax." Overpayments included the amount of any "refundable portion of the earned income tax credit." An overpayment could be refunded or credited toward the estimated tax for the following year. (See also "Credit to 2007 Estimated Tax" and "Refund.")

Overpayment Refunded

(line 74a, Form 1040)

See "Overpayment" and "Refund."

Parents' Election to Report Child's Interest and Dividends Δ

(calculated on Form 8814)

A parent could elect to report on his or her

return income received by his or her child. If the election were made, the child was not required to file a return. A parent could make this election if the child:

- was under age 18 on January 1, 2007;
- had income only from interest and dividends including Alaska permanent fund dividends, and capital gain distributions;
- had gross income for 2006 that was more than $850 but less than $8,500;
- did not file a joint return;
- had no estimated tax payments for 2006;
- did not have any overpayment of tax shown on his or her 2005 return applied to the 2006 return; and
- had no Federal income tax withheld from his or her income (backup withholding).

If the parents were not filing a joint return, special rules applied to determine which parent could make the election. (See also "Modified Taxable Income" and "other income.")

Partnership and S Corporation Net Income or Loss

(line 32, Schedule E)

Partnerships and S Corporations (formerly Subchapter S Corporations) are not taxable entities; therefore, tax on their net profit or loss was levied, in general, directly on the members of the partnership or shareholders of the S Corporation. The profit or loss shown in the statistics was the taxpayer's share of the ordinary gain or loss of the enterprise, and certain payments made to the taxpayer for the use of capital or, for partnership, as salary. Net long-term capital gains received from partnerships and S Corporations were reported on Schedule D.

If a return showed net income from one partnership or S Corporation and a net loss from another, the two were added together, and the return was tabulated by the net amount of income or loss in the appropriate column. Beginning in 1987, net income and net loss were reported separately for passive and non-passive partnership and S Corporation activities. Passive losses were limited under new rules to the amount that could offset passive income.

Partnership and S Corporation Net Income Less Loss

See "Partnership and S Corporation Net Income or Loss."

Passive Activity Losses

Losses generated by any "flow-through" business activity (such as partnerships or S Corporations for which profits and certain other amounts were passed directly through to the owners), in which the taxpayer did not "materially participate" (i.e., was not involved regularly and substantially in the operations of the activity) qualified as passive activity losses. (See also "Nondeductible Passive Losses.")

Payment with Request for Extension of Filing Time

(line 69, Form 1040)

This payment was made when the taxpayer filed Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*. The extension granted the taxpayer an additional period of time to file a tax return, but did not extend the time for the payment of the expected tax. Full payment of any tax due had to be made with the application for extension.

Payments to a Keogh Plan

(line 28, Form 1040)

Self-employed individuals were allowed to contribute to a Keogh retirement plan or a simplified employment pension plan for themselves and to deduct all or part of such contributions in computing adjusted gross income. The amount which could be deducted was based on net earnings from self- employment.

Penalty on Early Withdrawal of Savings

(line 30, Form 1040)

Taxpayers who paid penalties for the premature withdrawal of funds from time savings accounts or deposits could deduct those penalties as an adjustment to total income.

Penalty Tax on Qualified Retirement Plans

(line 60, Form 1040)

If taxpayers withdrew any funds from an Individual Retirement Arrangement or qualified retirement plan before they were either age 59-1/2 or disabled, they were subject to a penalty tax equal to 10 percent of the premature distribution. Any taxpayer who failed to withdraw the minimum required distribution after reaching age 70-1/2 had to pay a 50 percent excise tax on the excess accumulation. Contributions to the IRA in excess of the legal limitation for the year (the lesser of $4,000, $8,000 if married filing jointly, or the taxpayer's compensation for the year) were subject to an excise tax equal to 6 percent of the excess contribution.

Pensions and Annuities

(lines 16a, 16b, Form 1040)

Generally, pensions are periodic income received after retirement for past services with an employer, while annuities are income payable at stated intervals after payment of a specific premium. A taxpayer could acquire a pension or annuity either by purchase from a commercial organization (usually life insurance, endowment, or annuity contracts) or under a plan or contract connected with the taxpayer's employment. Those pensions or annuities obtained in connection with employment could be purchased entirely by the taxpayer or could be financed in part (a contributory plan) or in whole (a non-contributory plan) by contributions of the employer.

Since a non-contributory plan was paid for entirely by an employer, the amount received by the employee was fully taxable. This fully taxable pension was reported on lines 16a and 16b. For the taxpayer who participated in a contributory retirement plan while employed, the amount received was only partially taxable. In general, the amount excludable from gross income, the nontaxable portion, represented the taxpayer's contributions under the plan, while the taxable portion represented the employer's contribution and earnings on the entire investment. The nontaxable contribution had to be amortized over the expected lifetime of the taxpayer.

The entire amount of pensions and annuities received for the year was reported on line 16a of the Form 1040. The taxable portion was computed on a separate worksheet and entered on line 16b.

Personal Property Taxes Deduction

(line 7, Schedule A)

Personal property tax could be included as a deduction if the tax was an annual tax based on value alone. (See also "Taxes Paid Deduction.")

Predetermined Estimated Tax Penalty

(line 77, Form 1040)

If a return showed taxes of $1,000 or more owed on line 76 (tax due at time of filing) and this amount was more than 10 percent of the total tax, the taxpayer could owe a penalty, unless tax payments in the current year equaled or exceeded prior-year tax liability (provided prior-year liability was greater than zero). Also, taxpayers could owe a penalty if they underpaid their 2006 estimated tax liability for any payment period. Form 2210 was used to determine the amount of a penalty, if any.

For this report, the predetermined estimated tax penalty includes only the amount calculated by the taxpayer when the return was initially filed.

Qualified Dividends

(line 9b, Form 1040)

See "Dividends."

Real Estate Taxes
(line 6, Schedule A)

This amount included taxes paid on real estate that was owned and not used for business by the taxpayer. The real estate taxes could only be used as a deduction if the taxes were based on the assessed value of the property. Also, the assessment had to be made uniformly on property throughout the community, and the proceeds had to be used for general community or governmental purposes. (See also "Taxes Paid Deductions").

Recapture Taxes
(included in line 63, Form 1040)

See "Tax from Recomputing Prior Year Investment Credit."

Refund
(line 74a, Form 1040)

A refund of tax included all overpayment of income taxes not applied by the taxpayer as a credit to the next year's estimated tax. (See also "Overpayment.")

Refund Credited to Next Year
(line 75, Form 1040)

See "Credit to 2007 Estimated Tax."

Regular Tax Computation

Typically, the taxpayer, in determining the amount of "tax generated," first computed taxable income. Depending on marital status and size of taxable income, the taxpayer then used the tax table or applied the rates from one of four tax rate schedules to determine tax. Also, returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method. If a taxpayer filed a Form 8615 or had any long-term capital gains, or qualified dividends taxed at a rate less than the tax tables, then they were not considered as regular tax computations.

Rent and Royalty Net Income
(lines 24, Schedule E)

If the combination of rent income and losses and royalty income and losses resulted in a positive amount it was considered rent and royalty net income. It is possible for a taxpayer to have both rent and royalty income and losses.

Rent and Royalty Net Loss
(lines 25, Schedule E)

If the combination of rent income and losses and royalty income and losses resulted in a negative amount it was considered rent and royalty net loss. This amount did not include passive losses that were not deductible, but included carryovers of previous years' passive losses. It is possible for a taxpayer to have both rent and royalty income and losses. (See also "Passive Activity Losses.")

Rent Net Income or Loss
(line 22, columns A,B,C, Schedule E)

Rent net income or loss was determined by deducting from gross rent, the amounts for depreciation, repairs, improvements, interest, taxes, commissions, advertising, utilities, insurance, janitorial services, and any other allowable expenses related to the rented property. In the statistics, total rental net loss includes passive losses that were not deductible in figuring AGI. (See also "Passive Activity Losses" and "Total Rent and Royalty Income or Loss in AGI.")

Rent Net Income Less Loss

See "Rent Net Income or Loss."

Residential Energy Credit Δ
(line 52, Form 1040)

New for 2006, a taxpayer could have received a 10 percent credit for buying qualified energy efficiency improvements for their main home. The maximum credit for all tax years was $500 and no more than $200 of the credit could have been attributable to expenses for windows.

Retirement Savings Contribution Credit

(line 51, Form 1040)

A taxpayer could take a credit of up to $1,000 ($2,000 if married filing jointly) for qualified retirement savings contributions, if their adjusted gross income was less than or equal to $25,000 ($37,500 if head of household, $50,000 if married filing jointly).

Roth IRA Δ

(lines 16-25c, Form 8606)

Similar to traditional IRAs Roth IRAs were generally used for retirement. Unlike traditional IRAs, contributions to a Roth IRA were not deductible. However, qualified distributions from the earnings of a Roth IRA were tax-exempt. The contribution limit for Roth IRAs was the lesser of $4,000 ($5,000 if age 50 or older), $8,000, ($9,000, or $10,000 depending on if none, one, or two of the taxpayers were age 50 or older and married filing jointly) or the individual's taxable compensation unless the taxpayer contributed to both Roth IRAs and traditional IRAs. In that case, the contribution limit for Roth IRAs was reduced by all contributions (other than employer contributions) to traditional IRAs for the taxable year. The eligibility for Roth IRAs was phased out for joint filers with modified AGI between $150,000 and $160,000, married taxpayers filing separately and living with their spouses with modified AGI between $0 and $10,000, and all other filers (single, head of household, and married filing separately and not living with their spouse at any time during the year) with modified AGI between $95,000 and $110,000. Contributions to Roth IRAs could be made after the taxpayer reached the age of 70½. Also, the minimum distribution rules did not apply to living taxpayers as they did for traditional IRAs.

Some taxpayers were also eligible to make taxable rollovers of traditional IRAs to Roth IRAs without paying the 10 percent tax on early withdrawals. Taxpayers had to have a modified AGI of $100,000 or less to be able to roll over a traditional IRA to a Roth IRA. When a taxpayer converted an amount from the traditional IRA to a Roth IRA, they were required to include in gross income the amount that they would have reported in income if they had made a withdrawal from this IRA. The taxpayer did not include in gross income any part of the conversion that was a nondeductible contribution in a traditional IRA. Married taxpayers filing separately could not take advantage of this rollover provision. (See also "Individual Retirement Arrangement Taxable Distributions.")

Royalty Net Income or Loss

(line 22, columns A, B, C, Schedule E)

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil, gas, and other mineral rights; revenue from patents; and revenue from literary, musical, or artistic works. Certain royalties received under a lease agreement on timber, coal, and domestic iron ore were eligible for capital gains or ordinary loss treatment under Code section 1231. As a result of the separate computation, those royalties are reflected in the statistics for "sales of capital assets" and "sales of property other than capital assets." (See also "Total Rent and Royalty Income or Loss in AGI.")

Royalty Net Income Less Loss

See "Royalty Net Income or Loss."

S Corporations

See "Partnership and S Corporation Net Income or Loss."

Salaries and Wages

(line 7, Form 1040)

Salaries and wages as reported on the tax return were amounts of compensation primarily for personal services. The following items are included:

- salaries;
- wages;

- commissions;
- bonuses;
- tips;
- fees;
- excess reimbursement of employee business expenses;
- moving expenses allowances;
- the difference between the fair market value of certain property and the discount price for which it was purchased by a taxpayer from his or her employer;
- severance pay;
- sick pay;
- the value of exercising a stock appreciation right;
- directors' fees;
- vacation allowances;
- most disability payments;
- strike and lockout benefits;
- the value of certain non-monetary payments for services (e.g., merchandise, accommodations, certain meals or lodging, certain stock purchase plans, or property);
- dependent care benefits;
- employer provided adoption benefits; and
- scholarship and fellowship grants.

Identifiable amounts for any of these categories, which may have been reported by taxpayers as "other income," are treated as salaries and wages for the statistics.

Sales of Capital Assets, Net Gain or Loss Δ

(line 13, Form 1040)

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were homes, furniture, automobiles, and stocks and bonds. Most assets used for business activities were specifically excluded from treatment as capital assets. (See also "Sales of Property Other Than Capital Assets, Net Gain or Loss.")

The following concepts are used in the computation of net capital gain or loss for this report:

Long-term or short-term: If the holding period was one year or less, the asset was considered short-term; otherwise, it was considered long-term. All capital gain distributions (distributions from mutual funds on the profit of sale of stock or bonds to the taxpayer) were considered long-term. Short-term capital gains were taxed at ordinary rates.

Net capital gain: If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. The full amount of this gain, whether short-term or long-term was included in adjusted gross income.

Net capital loss: If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer showed a net capital loss. The amount of net capital loss to be included in adjusted gross income was limited to the smaller of the actual net capital loss or $3,000 ($1,500 for married persons filing separately). Any excess capital losses over the $3,000 limit could be carried over to subsequent tax years ("long-term loss carryover" and "short-term loss carryover" in the statistics).

The maximum rate for most long-term net capital gains was 15 percent (generally, 5 percent for taxpayers in the 10- or 15-percent tax bracket). Collectible gains and up to 50 percent of eligible gains on qualified small business stock were taxed at the 28-percent rate. Gains from the sale of certain depreciable real property were taxed at a 25-percent rate. Therefore, the long-term capital gain tax rate could be 5-percent, 15-percent, 25-percent, or 28-percent.

Taxpayers were generally able to exclude from income up to $250,000 ($500,000 for married couples filing a joint tax return) of the gain on the sale of their homes.

Sales of Capital Assets Reported on Schedule D

See "Sales of Capital Assets, Net Gain or Loss."

Sales of Property Other Than Capital Assets, Net Gain Less Loss

(line 14, Form 1040)

Property other than capital assets generally included property of a business nature, in contrast to personal or investment property, which were capital assets. Some types of property specifically included in this group were:

(1) certain depreciable, depletable, and real business property;
(2) accounts and notes receivable in the ordinary course of business generated from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business;
(3) certain copyrights, literary, musical, or artistic compositions, or similar properties; and
(4) amounts resulting from certain "involuntary conversions," including net losses from casualty and theft.

Taxpayers reported all gains and losses not treated as capital gains on Form 4797, *Sales of Business Property*.

Sales Tax Deduction

(included in line 5, Schedule A)

Taxpayers could have elected to deduct state and local general sales taxes instead of state and local income taxes as an itemized deduction on Schedule A. The taxpayer could have used either actual expenses or the optional state sales tax tables.

Schedule D Capital Gain Distributions

See "Sales of Capital Assets, Net Gain or Loss."

Self-Employed Health Insurance Deduction

(line 29, Form 1040)

Self-employed persons, or owners of more than 2 percent of outstanding stock of an S Corporation, if they were not eligible for health coverage under an employer-provided plan, were allowed to deduct, in the calculation of AGI, up to 100 percent of the amount paid for health insurance for themselves and their families.

Self-Employment Tax Δ

(line 58, Form 1040)

The ceiling for social security tax on taxable self-employment income for 2006 was $94,200. The limit did not apply for purposes of the Medicare tax. All net earnings greater than $400 ($108.28 for church employees) were also subject to the Medicare tax portion. (See also "Total Tax Liability.")

Short-Term Capital Gain or Loss

(line 7, Schedule D)

These include gains and losses from sale of capital assets held one year or less. (See "Sales of Capital Assets, Net Gain or Loss.")

Short-Term Gain or Loss from Other Forms

(line 4, Schedule D)

The other forms include:

- Short-term gains from Form 6252
- Short-term gain or loss from Forms 4684, 6781, and 8824

See "Sales of Capital Assets, Net Gain or Loss."

Short-Term Loss Carryover

(line 6, Schedule D)

These are short-term capital losses from the prior year Schedule D that are carried over to the current year. (See "Sales of Capital Assets, Net Gain or Loss.")

Size of Adjusted Gross Income

(line 37, Form 1040)

The amount of adjusted gross income reported by the taxpayer on the return was the basis for classifying data by size of adjusted gross income. Returns without positive adjusted gross income,

such as deficit returns or returns on which income and loss were equal, were classified as having "no adjusted gross income" and appear as a separate class in most basic tables. The absence of a class labeled "no adjusted gross income" indicates that any deficit or break-even returns in a table were included in the lowest income size class. (See "Adjusted Gross Income Less Deficit.")

Social Security Benefits Δ

(lines 20a, 20b, Form 1040)

Social security benefits included any monthly benefit under title II of the Social Security Act or the part of a "tier 1 railroad retirement benefit" that was equivalent to a social security benefit. Social security benefits were not taxable unless the taxpayer's total income (including tax-exempt interest) plus one-half of total social security benefits exceeded certain levels. The maximum taxable amount was up to 85 percent of the net social security benefits received. Social security benefits received were reported on Form 1040, line 20a and the taxable portion was reported on line 20b. Starting in tax year 2006, taxpayers were required to report gross social security benefits on line 20a even if the taxpayer had no taxable social security benefits.

Social Security and Medicare Taxes Δ

For 2006, the maximum wages subject to social security tax (6.2%) increased to $94,200. All wages were subject to medicare tax (1.45%).

Social Security and Medicare Tax on Tip Income

(line 59, Form 1040)

Cash tips amounting to $20 or more received by the taxpayer in a month while working for any one employer were subject to withholding of income tax, social security tax (or the equivalent railroad retirement tax), and Medicare tax. If the employer was unable to withhold the social security and Medicare tax, the amount of uncollected social security tax on tips was indicated on the employee's Form W-2, and the employee was required to report the uncollected tax and pay it with the Form 1040. If the employee did not report the tips to the employer, the employee was required to compute the social security and Medicare tax on unreported tips on Form 4137 and attach it to Form 1040.

Standard Deduction Δ

(included in line 40, Form 1040)

For 2006, the basic standard deduction was increased. Taxpayers who were age 65 or over or blind could claim an additional standard deduction amount of $1,000 or $1,250 based on filing status. Both the basic and additional standard deductions were determined by marital filing status, as shown below.

Single

Basic deduction of $5,150;

Each taxpayer 65 or over or blind was allowed an additional $1,250 deduction each for age and blindness.

Married filing jointly or surviving spouses

Basic deduction of $10,300;

Each taxpayer 65 or over or blind was allowed an additional $1,000 deduction each for age and blindness.

Married, filing separately

Basic deduction of $5,150;

Each taxpayer 65 or over or blind was allowed an additional $1,000 deduction each for age and blindness.

Head of Household

Basic deduction of $7,550;

Each taxpayer 65 or over or blind was allowed an additional $1,250 deduction each for age and blindness.

The basic standard deduction claimed by filers who were dependents of other taxpayers was the greater of $850 or the dependent's earned income plus $300 (but not more than the regular standard deduction amount).

In the statistics, the basic standard deduction is tabulated for all taxpayers who claimed it, including those who were 65 or over and/or blind. The "additional standard deduction" total includes only the additional amount that was taken by those taxpayers who were 65 or over and/or blind.

State Income Tax Refund
(line 10, Form 1040)

If a taxpayer received a refund, credit, or offset of state or local income taxes in 2006 that was paid or deducted before 2006, all or part of that amount had to be reported as income to the extent that an itemized deduction for state and local income taxes had previously resulted in a tax benefit.

State and Local Income Taxes
(line 5, Schedule A)

State and local income taxes paid could be used as an itemized deduction if a taxpayer had state and local income tax withheld from their salary during 2006; had paid state and local income taxes directly during 2006 for a prior year, or had made mandatory contributions to specific state disability funds. (See also "Taxes Paid Deduction.")

State and Local Taxes
(line 5, Schedule A)

This is the total of State and Local Income Taxes or Sales Tax Deduction. The taxpayer could elect to use either, but not both.

Statutory Adjustments
(lines 23-36, Form 1040)

Certain adjustments to total income were allowed as deductions in the calculation of adjusted gross income. For 2006, statutory adjustments included Archer MSA deductions, educator expenses, certain business expenses of certain reservists, performing artists, and fee-basis government officials, health savings account deduction, moving expenses, the deduction for one-half of self-employment tax, payments to a self-employed Keogh retirement plan or a simplified employee pension (SEP), the self-employed health insurance deduction, penalty on early withdrawal of savings, alimony paid, payments to an IRA, student loan interest deductions, jury duty pay received by the taxpayer and given to the employer if the taxpayer continued to recieve wages while on jury duty, deduction for certain domestic production activities, tuition and fees deductions, and the foreign housing deduction. Each of the above items is described separately in this section. In addition, statutory adjustments included: deduction for clean-fuel vehicles, performing-arts-related expenses, deductible expenses related to income of personal property, the forestation/reforestation amortization deduction, and the repayment of supplemental unemployment benefits under the Trade Act of 1974. If not listed separately, these amounts are included in the "Other Adjustments" category in the statistics.

Student Loan Interest Deduction
(line 33, Form 1040)

For 2006, eligible taxpayers were allowed to deduct up to $2,500 for interest paid on qualified higher educational loans. The deduction was phased out for taxpayers with modified AGI between $50,000 to $65,000 ($105,000 to $135,000 for taxpayers filing a joint return).

Tax Credits
See "Total Tax Credits."

Tax Due at Time of Filing
(line 76, Form 1040)

"Tax due" was reported on returns on which total tax liability exceeded total tax payments.

Tax from Recomputing Prior-Year Investment Credit
(included in line 63, Form 1040)

The investment tax credit provisions of the law included a recapture rule which required taxpayers to pay back some or all of any investment credit previously taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for the credit was disposed of before the end of its useful life, the tax for the year of disposal was increased by the difference between the credit originally claimed and the credit that would have been allowed based on the shorter actual life. Tax credits could not be applied against this additional

tax. Also tax from recapture of an education credit was reported here.

Tax Generated Δ

This amount was the tax computed on modified taxable income. The tax rates for 2006 were 10, 15, 25, 28, 33, and 35 percent. The 10-percent bracket applied to taxable income equal to or below $7,550 for single filers and married persons filing separately; $15,100 for joint filers or surviving spouses; and $10,750 for heads of household. The 15-percent bracket applied to taxable income in excess of the 10-percent bracket ceiling and equal to or below $30,650 for single filers; $61,300 for joint filers or surviving spouses; $30,650 for married persons filing separately; and $41,050 for heads of household. The 25-percent tax bracket applied to taxable income in excess of the 15-percent bracket ceiling and equal to or below $74,200 for single filers; $123,700 for joint filers or surviving spouses; $61,850 for married persons filing separately; and $106,000 for heads of household. The 28 percent tax rate applied to taxable income in excess of the 25 percent tax bracket ceiling and equal to or below $154,800 for single filers; $188,450 for joint filers or surviving spouses; $94,225 for married persons filing separately; and $171,650 for heads of households. The 33 percent tax rate applied to taxable income in excess of the 28 percent tax bracket ceiling and equal to or below $336,550 for single filers, joint filers, or surviving spouses and heads of households and $168,275 for married persons filing separately. The 35 percent tax rate applied to taxable income in excess of the upper boundary for the 33 percent tax bracket. The tax generated at each of these tax rates is shown in Tables 3.4, 3.5, and 3.6.

If children under age 18 had investment income that exceeded $1,700, there were two methods of reporting this income. If the child filed his or her own return, the investment income that exceeded $1,700 was taxed at the parents' rate on Form 8615 (the remaining investment income was taxed at the child's rate) and tabulated separately in Tables 3.4, 3.5, and 3.6. If the parents elected to report the child's investment income on their return, they attached a Form 8814. The investment income in excess of $1,700 was included on either Form 1040, line 21 or in the case of capital gains distributions on either Form 1040, line 13 or Schedule D, line 13, or qualified dividends on Form 1040, line 9b. The remaining investment income in excess of the $850 standard deduction was taxed at the child's rate, added to the parents' tax on Form 1040, line 44, and is also tabulated separately in Tables 3.4, 3.5, and 3.6.

On most returns, except those with additional taxes from special computations, "tax generated" equaled "income tax before credits." (See also "Modified Taxable Income")

Tax Payments

(lines 64, 65, 67, 69, 70, 72, Form 1040)

These payments were generally made before the return was filed and were applied against tax liability to determine any amount payable or refundable at the time of filing. They consisted of the following:

(1) income tax withheld, including backup withholding;
(2) estimated tax payments (including those from overpayment on 2005 return);
(3) payment with request for extension of filing time;
(4) excess social security, Medicare, or railroad retirement tax withheld;
(5) credit for tax on certain gasoline, fuel, and oil; and
(6) credit from regulated investment companies.

Each of the above is described under a separate heading in this section.

Although the earned income credit was included with tax payments on the tax return itself (line 66a, Form 1040), for the statistics it is treated partly as a credit against income tax liability and partly as a refundable amount. (See also "Earned Income Credit.") Also, the additional child credit was included on the tax return as a payment but not treated that way for the statistics.

Tax Penalty
(line 77, Form 1040)

See "Predetermined Estimated Tax Penalty."

Tax Preparation Fees
(line 21, Schedule A)

Tax preparation fees were included on Schedule A as a miscellaneous deduction, the total of which was subject to a 2 percent of AGI floor. The amounts reported in the statistics are prior to this floor. (See also "Limited Miscellaneous Deductions.")

Tax Rates, Tax Rate Classes

See "Tax Generated."

Tax Withheld
(line 64, Form 1040)

See "Income Tax Withheld."

Tax-Exempt Interest
(line 8b, Form 1040)

Tax-exempt interest included interest on certain State and municipal bonds, as well as any tax-exempt interest dividends from a mutual fund or other regulated investment company. This was an information reporting requirement and did not convert tax-exempt interest into taxable interest. It is included as income for certain programs, for example for the earned income credit or taxability of social security benefits.

Taxable and Nontaxable Returns

The taxable and nontaxable classification of a return for this report is determined by the presence of "total income tax". Some returns classified as "nontaxable" may have had a liability for other taxes, such as self-employment tax, uncollected employee social security and medicare tax on tips, tax from recomputing prior-year investment credit, penalty taxes on individual retirement accounts, Section 72 penalty taxes, advance earned income credit payments, household employment taxes, or golden parachute payments. These taxes, however, were disregarded for the purposes of this classification since three of the above taxes were considered social security (rather than income) taxes, and the remaining ones, except for advance earned income payments, were either based on prior year's income or were penalty taxes.

For this report, the earned income credit is treated first as an amount used to offset income tax before credits. Since the earned income credit was refundable, it was subtracted from income tax (for the statistics) after reduction by all other statutory credits. As a result, some returns became nontaxable strictly because of the earned income credit and the earned income credit equaled or exceeded income tax before credits reduced by any other credits.

It should be noted that classification as taxable or nontaxable was based on each return as it was filed and does not reflect any changes resulting from audit or other enforcement activities. (See also, "Total Income Tax.")

Taxable Income
(line 43, Form 1040)

Taxable income was derived by subtracting from adjusted gross income any exemption amount and either total itemized deductions or the standard deduction. (See "Modified Taxable Income.")

Taxable Interest (Received)
(line 8a, Form 1040)

This amount was the taxable portion of interest received from bonds, debentures, notes, mortgages, certain insurance policy proceeds, personal loans, bank deposits, savings deposits, tax refunds, and U.S. savings bonds. Also included as interest were "dividends" on deposits or withdrawable accounts in mutual savings banks, savings and loan associations, and credit unions. Interest on state or local government obligations remained tax-exempt, but the total tax-exempt interest had to be reported on line 8b of Form 1040. It was not included in the taxpayer's income for tax purposes. (See also "Tax-Exempt Interest.")

Taxable IRA Distributions (in AGI)
(line 15b, Form 1040)

See "Individual Retirement Arrangement Taxable Distributions."

Taxable Pensions and Annuities (in AGI)
(line 16b, Form 1040)

See "Pensions and Annuities."

Taxable Social Security Benefits
(line 20b, Form 1040)

See "Social Security Benefits."

Taxes Paid Deduction
(lines 5-9, Schedule A)

Taxes allowed as an itemized deduction from adjusted gross income, included personal property taxes, state and local income taxes or general sales taxes, taxes paid to foreign countries or U.S. possessions (unless a foreign tax credit was claimed), and real estate taxes except those levied for improvements that tended to increase the value of the property. Mandatory employee contributions to a state disability fund and employee contributions to a state unemployment fund were also included. Federal taxes were not deductible.

Taxes paid on business property were deducted separately on the schedules for business, rent, royalty, and farm income and are excluded from the "taxes paid" statistics in this report.

Total Income
(line 22, Form 1040)

Total income was the sum of the individual income items (lines 7 through 21) before adjustments.

Total Income Tax
(line 57 + any Form 4970 tax on line 63 - line 66a, limited to zero, on Form 1040)

Total income tax was the sum of income tax after credits (including the subtraction of the earned income credit) plus the tax from Form 4970. It did not include any of the other taxes that made up total tax liability. Total income tax was the basis for classifying returns as taxable or nontaxable.

Total Itemized Deductions Δ
(included in line 40, Form 1040)

Itemized deductions from adjusted gross income could be claimed for medical and dental expenses, certain taxes paid, interest paid, charitable contributions, casualty and theft losses, and miscellaneous deductions. Itemized deductions were claimed only if they exceeded the total standard deduction, with three exceptions. First, if a taxpayer was married and filing separately, and his or her spouse itemized deductions, the spouse was required to itemize as well. Second, taxpayers in several states were required to itemize deductions on their Federal tax returns if they wished to itemize on their State returns. Third, if a taxpayer benefited for alternative minimum tax purposes, they might itemize even though the standard deduction was larger. The total amount of itemized deductions was tabulated only from returns showing positive adjusted gross income.

If a taxpayer had AGI in excess of $150,500 ($75,250 if married filing separately), his or her itemized deductions may have been limited. The limitation did not apply to the deductions for medical and dental expenses, investment interest expenses, casualty or theft losses, and gambling losses. To arrive at allowable itemized deductions, total itemized deductions were reduced by the smaller of: a) 3 percent of the amount of AGI in excess of $150,500 ($75,250) or b) 80 percent of the non-exempt deductions. For Tax Year 2006, the reduction amount was then divided by 3 and subtracted from the original reduction amount. As a result, the amount by which the deduction was reduced was only 2/3 of the amount of the reduction that would have otherwise applied (for 2005 and previous years).

Total Miscellaneous Deductions

See "Miscellaneous Itemized Deductions."

Total Rent and Royalty Income or Loss

(line 26 plus lines 39 and 40, Schedule E)

This income concept consisted of all rent and royalty income and loss that was used in computing adjusted gross income, including farm rental income and suspended rental loss carry-over from prior years. It excluded the portion of rental losses that was not deductible in computing adjusted gross income due to the passive loss rules. Income or loss from real estate mortgage investment conduits were also included in this concept.

Total Statutory Adjustments

(line 36, Form 1040)

Total statutory adjustments was the sum of the individual adjustments to income (lines 23-36) (Note: foreign housing, Archer MSA, and other adjustments were reported on line 36).

Total Tax Credits Δ

(lines 56, 66a, Form 1040)

For this report, total tax credits consists of the following:

(1) foreign tax credit;
(2) child care credit;
(3) credit for the elderly and disabled;
(4) education credits;
(5) retirement savings contributions credit;
(6) residential energy credit;
(7) child tax credit;
(8) mortgage interest credit;
(9) adoption credit
(10) District of Columbia first time homebuyers credit;
(11) general business credit;
(12) minimum tax credit;
(13) qualified electric vehicle credit;
(14) empowerment zone and renewal community employment credit;
(15) alcohol used as fuel credit;
(16) renewable electricity, refined coal, and Indian coal production credit;
(17) alternative motor vehicle credit;
(18) other tax credits;
(19) earned income credit (EIC) used to offset income tax before credits

These amounts were deducted from income tax before credits to arrive at income tax after credits. For the statistics, the portion of the EIC that did not result in a negative amount is tabulated as "earned income credit used to offset income tax before credits." Any remaining EIC amount could be refunded or applied to other taxes, and is classified separately as "earned income credit refundable portion," or "earned income credit used to offset other taxes." All other credits were limited to the amount needed to offset income tax before credits and were not refundable (except the child tax credit – see "Child Tax Credit") or used to offset any other taxes.

Total Tax Liability

(line 63 modified by the earned income credit and additional child tax credit, Form 1040)

Total tax liability was the sum of income tax after credits, self-employment tax, social security and Medicare tax on tips, additional tax on HSA and MSA distributions, tax from recapturing prior-year investment credits, low income housing credit, qualified electric vehicle credit, Indian employment credit, new market credit, employer-provided child care facilities credit, tax from recapture of federal mortgage subsidy, taxes from qualified plans (including individual retirement accounts) and other tax favored accounts, Section 72 penalty taxes, household employment taxes, tax on golden parachute payments, Form 4970 tax, excise tax on insider stock compensation from an expatriated corporation, and interest on tax due on installment income from sale of residential lots and timeshares. These taxes were then reduced by the earned income credit used to offset all other taxes (defined under "Earned Income Credit" and "Additional Child Tax Credit"), limited to zero. For the statistics, unlike the Form 1040, total tax liability does not include any advance earned income credit payments.

Total Tax Payments

See "Tax Payments."

Total Taxable IRA Distributions

See "Individual Retirement Arrangement Taxable Distributions."

Total Unlimited Miscellaneous Deductions

(line 27, Schedule A)

See "Miscellaneous Itemized Deductions."

Tuition and Fees Deduction

(included in line 35, Form 1040)

A taxpayer was able to deduct up to $4,000 of the qualified tuition and fees paid for themselves, a spouse, or dependents if the taxpayer's modified AGI was under $65,000 ($130,000 if married filing jointly). A taxpayer was able to deduct up to $2,000 if their AGI was higher than the limit but not more than $80,000 ($160,000 if married filing jointly). This deduction could not be taken if the person could be claimed as a dependent on another taxpayer's return or if they claimed the education credit for the same student.

Type of Tax Computation

(line 44, Form 1040)

Tabulations in Table 3.1 include three methods of computing the tax on income subject to tax. These methods were:

(1) regular tax, as computed from the tax tables or tax rate schedules accompanying the Forms 1040, 1040A, or 1040EZ. Schedule J, *Income Averaging for Farmers and Fishermen*, returns are included with regular tax. (See also "Regular Tax Computation");

(2) Form 8615, used to compute the tax on investment income of children under 18; and

(3) Schedule D, Form 1040, used to compute the tax on long-term capital gains (in excess of short-term capital losses.) These include returns with capital gain distributions reported on Form 1040 or qualified dividends, also. This tax could be at various rates, 5, 15, 25, or 28 percent.

Unemployment Compensation

(line 19, Form 1040)

All unemployment compensation received was taxable. It did not include any supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund, which were included in salaries and wages.

Unreimbursed Employee Business Expenses

(line 20, Schedule A)

This item, added together with most other miscellaneous itemized deductions, was subject to a floor of 2 percent of AGI. Unreimbursed employee business expenses included travel, transportation, meal, and entertainment costs incurred while based at or away from home in the performance of job duties. In most cases, fifty percent of meal and entertainment expenses were deductible, and were calculated on Form 2106, *Employee Business Expenses*. Many other expenses such as union dues, safety equipment, uniforms, protective clothing, and physical examinations were also deductible. Travel expenses away from home, which were paid or incurred, were not deductible if the period of temporary employment was more than one year. The amounts reported in the statistics were prior to the 2 percent floor. (See also "Limited Miscellaneous Itemized Deductions.")

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Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **2006** (99)

OMB No. 1545-0074

Label (See instructions on page 16.) Use the IRS label. Otherwise please print or type.

For the year Jan. 1–Dec. 31, 2006, or other tax year beginning ____ 2006, ending ____ 20__

Your first name and initial | Last name | **Your social security number**

If a joint return, spouse's first name and initial | Last name | **Spouse's social security number**

Home address (number and street). If you have a P.O. box, see page 16. | Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 16.

▲ You must enter your SSN(s) above ▲

Checking a box below will not change your tax or refund.

Presidential Election Campaign ▶ Check here if you, or your spouse if filing jointly, want $3 to go to this fund (see page 16) ▶ ☐ You ☐ Spouse

Filing Status Check only one box.

1 ☐ Single
2 ☐ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here ▶
4 ☐ Head of household (with qualifying person). (See page 17.) If the qualifying person is a child but not your dependent, enter this child's name here ▶
5 ☐ Qualifying widow(er) with dependent child (see page 17)

Exemptions

6a ☐ **Yourself.** If someone can claim you as a dependent, do not check box 6a
b ☐ **Spouse**

Boxes checked on 6a and 6b: ____
No. of children on 6c who:
• lived with you ____
• did not live with you due to divorce or separation (see page 20) ____
Dependents on 6c not entered above ____
Add numbers on lines above ▶ ____

c **Dependents:**

(1) First name / Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qualifying child for child tax credit (see page 19)
			☐
			☐
			☐
			☐

If more than four dependents, see page 19.

d Total number of exemptions claimed ▶ 6d

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 23.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7	Wages, salaries, tips, etc. Attach Form(s) W-2			7
8a	**Taxable** interest. Attach Schedule B if required			8a
b	**Tax-exempt** interest. **Do not** include on line 8a	8b		
9a	Ordinary dividends. Attach Schedule B if required			9a
b	Qualified dividends (see page 23)	9b		
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 24)			10
11	Alimony received			11
12	Business income or (loss). Attach Schedule C or C-EZ			12
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐			13
14	Other gains or (losses). Attach Form 4797			14
15a	IRA distributions . . 15a		b Taxable amount (see page 25)	15b
16a	Pensions and annuities . . 16a		b Taxable amount (see page 26)	16b
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E			17
18	Farm income or (loss). Attach Schedule F			18
19	Unemployment compensation			19
20a	Social security benefits . . 20a		b Taxable amount (see page 27)	20b
21	Other income. List type and amount (see page 29)			21
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶			22

Adjusted Gross Income

23	Archer MSA deduction. Attach Form 8853	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	One-half of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see page 29)	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN ▶	31a	
32	IRA deduction (see page 31)	32	
33	Student loan interest deduction (see page 33)	33	
34	Jury duty pay you gave to your employer	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 31a and 32 through 35		36
37	Subtract line 36 from line 22. This is your **adjusted gross income** ▶		37

Tax and Credits

Standard Deduction for—
• People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 34.
• All others:
Single or Married filing separately, $5,150
Married filing jointly or Qualifying widow(er), $10,300
Head of household, $7,550

38	Amount from line 37 (adjusted gross income)			38
39a	Check if ☐ You were born before January 2, 1942, ☐ Blind. ☐ Spouse was born before January 2, 1942, ☐ Blind.	Total boxes checked ▶ 39a		
b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 34 and check here ▶ 39b ☐			
40	**Itemized deductions** (from Schedule A) or your **standard deduction** (see left margin)			40
41	Subtract line 40 from line 38			41
42	If line 38 is over $112,875 or you provided housing to a person displaced by Hurricane Katrina, see page 36. Otherwise, multiply $3,300 by the total number of exemptions claimed on line 6d			42
43	**Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-			43
44	**Tax** (see page 36). Check if any tax is from a ☐ Form(s) 8814 b ☐ Form 4972			44
45	**Alternative minimum tax** (see page 39). Attach Form 6251			45
46	Add lines 44 and 45			46
47	Foreign tax credit. Attach Form 1116 if required	47		
48	Credit for child and dependent care expenses. Attach Form 2441	48		
49	Credit for the elderly or the disabled. Attach Schedule R	49		
50	Education credits. Attach Form 8863	50		
51	Retirement savings contributions credit. Attach Form 8880	51		
52	Residential energy credits. Attach Form 5695	52		
53	Child tax credit (see page 42). Attach Form 8901 if required	53		
54	Credits from a ☐ Form 8396 b ☐ Form 8839 c ☐ Form 8859	54		
55	Other credits. a ☐ Form 3800 b ☐ Form 8801 c ☐ Form ____	55		
56	Add lines 47 through 55. These are your **total credits**			56
57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-			57

Other Taxes

58	Self-employment tax. Attach Schedule SE			58
59	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137			59
60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required			60
61	Advance earned income credit payments from Form(s) W-2, box 9			61
62	Household employment taxes. Attach Schedule H			62
63	Add lines 57 through 62. This is your **total tax**			63

Payments

If you have a qualifying child, attach Schedule EIC.

64	Federal income tax withheld from Forms W-2 and 1099	64		
65	2006 estimated tax payments and amount applied from 2005 return	65		
66a	**Earned income credit (EIC)**	66a		
b	Nontaxable combat pay election ▶ 66b			
67	Excess social security and tier 1 RRTA tax withheld (see page 60)	67		
68	Additional child tax credit. Attach Form 8812	68		
69	Amount paid with request for extension to file (see page 60)	69		
70	Payments from a ☐ Form 2439 b ☐ Form 4136 c ☐ Form 8885	70		
71	Credit for federal telephone excise tax paid. Attach Form 8913 if required	71		
72	Add lines 64, 65, 66a, and 67 through 71. These are your **total payments**			72

Refund

Direct deposit? See page 61 and fill in 74b, 74c, and 74d, or Form 8888.

73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you **overpaid**		73
74a	Amount of line 73 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐		74a
b	▶ Routing number	▶ c Type: ☐ Checking ☐ Savings	
d	▶ Account number		
75	Amount of line 73 you want applied to your 2007 estimated tax ▶	75	

Amount You Owe

76	**Amount you owe.** Subtract line 72 from line 63. For details on how to pay, see page 62 ▶		76
77	Estimated tax penalty (see page 62)	77	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 63)? ☐ **Yes.** Complete the following. ☐ No

Designee's name ▶ | Phone no. ▶ () | Personal identification number (PIN) ▶

Sign Here

Joint return? See page 17.
Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
			()
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶		EIN	
		Phone no. ()	

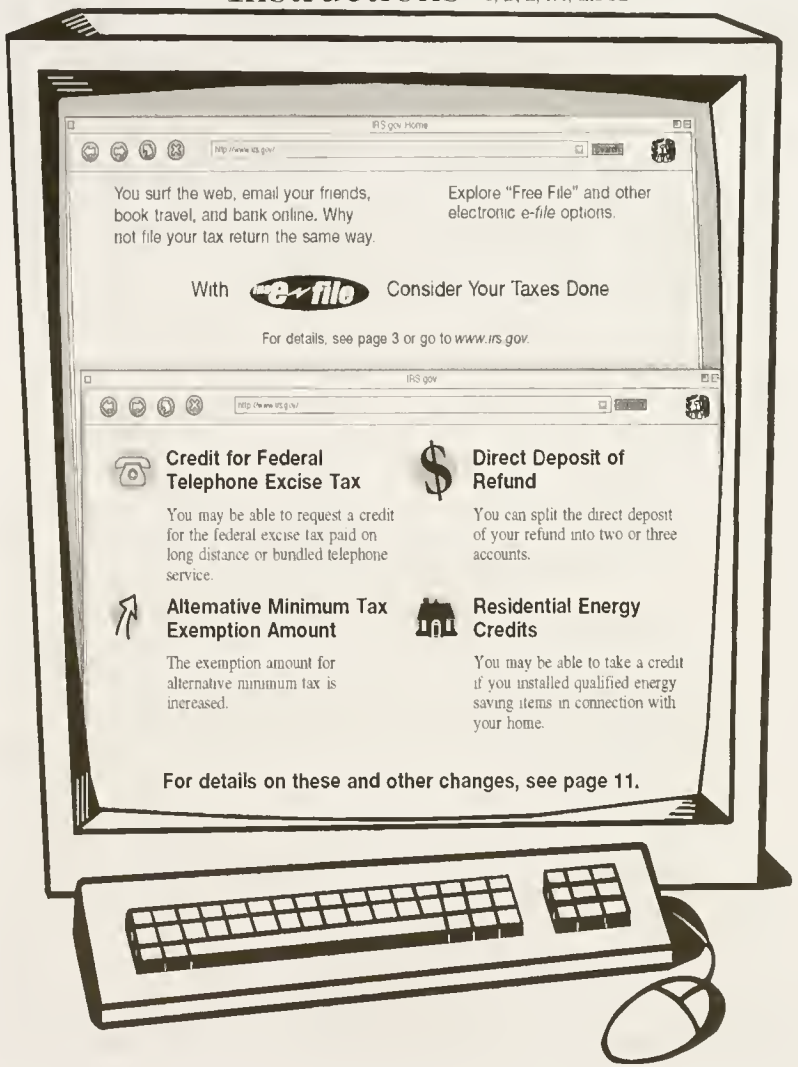
Note. This booklet does not contain any tax forms.

IRS
Department of the Treasury
Internal Revenue Service
www.irs.gov

2006 1040

Instructions

Including Instructions for Schedules A, B, C, D, E, F, J, and SE



Cat No 11325E

A Message From the Commissioner

Dear Taxpayer,

Paying taxes is a unifying experience fundamental to democracy and the rule of law. Each year, almost two hundred million taxpayers carry out this vital obligation by filing their return. The Internal Revenue Service seeks to help people understand and pay taxes as easily as possible.

More than half of all taxpayers file their taxes electronically. *E-filing* not only generates fewer errors than paper, but also ensures faster refunds. Many returns are *e-filed* by tax preparers, but increasing numbers come straight from home computers. Taxpayers with an adjusted gross income of $50,000 or less can *e-file* for free. Instructions for electronic filing and Free File can be found on our website at *www.irs.gov*.

To protect the honest taxpayer, we have strengthened enforcement of the tax laws. The vast majority of taxpayers pay honestly and accurately, and they have every right to expect their neighbors and competitors to do the same. Over the past several years, IRS audits and collections have risen significantly, and tax laws and regulations have been toughened.

If you need more information about taxes, visit *www.irs.gov*. Learn how to file taxes, obtain tax forms, and find out if you are eligible for the earned income credit. You may also call our toll-free numbers: 1-800-829-1040 for individuals and 1-800-829-4933 for businesses.

Please do not hesitate to contact us if you need help. We hope this packet is useful to you.

Sincerely,

Mark W. Everson

Mark W. Everson

The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.

irs e-file

consider it done

What is IRS *e-file*?

It's the fastest, easiest, and most convenient way to file your income tax return electronically. So easy, over 72 million taxpayers preferred *e-file* over filing a paper income tax return last year. Visit the IRS website at *www.irs.gov/efile* for all the details and latest information.

What are the benefits?

Millions Eligible for Free File!

- Free File allows qualified taxpayers to prepare and *e-file* their own tax returns for free using commercially available online tax preparation software.
- Review online tax software provider offerings and determine if you are eligible by visiting the Free File page at *www.irs.gov*.

Fast! Easy! Convenient!

- Get your refund in half the time as paper filers do, even faster and safer with direct deposit. See page 61.
- Sign electronically and file a completely paperless return. See page 63.
- Receive an electronic proof of receipt within 48 hours after the IRS received your return.
- If you owe, you can *e-file* and authorize an electronic funds withdrawal or pay by credit card. If you *e-file* before April 16, 2007*, you can schedule an electronic funds withdrawal from your checking or savings account as late as April 16, 2007*. See page 62.
- Prepare and file your federal and state returns together and save time.

*April 17, 2007, if you live in Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont, or the District of Columbia.

Accurate! Secure!

- IRS computers quickly and automatically check for errors or other missing information.
- The chance of being audited does not differ whether you *e-file* or file a paper income tax return.
- Your bank account information is safeguarded along with other tax return information. The IRS does not have access to credit card numbers.

Visit the IRS website at *www.irs.gov/efile* for details.

How to *e-file*?

Use an Authorized IRS e-file Provider

AUTHORIZED e-file PROVIDER

Many tax professionals electronically file tax returns for their clients. As a taxpayer, you have two options:

- You can prepare your return, take it to an Authorized IRS *e-file* Provider, and have the provider transmit it electronically to the IRS, or
- You can have a tax professional prepare your return and transmit it for you electronically.

Tax professionals can charge a fee for IRS *e-file*. Fees can vary depending on the professional and the specific services rendered.

Use a Personal Computer

You can file your income tax return in a fast, easy, convenient way using your personal computer. A computer with a modem or Internet access and tax preparation software are all you need. Best of all, you can *e-file* from the comfort of your home 24 hours a day, 7 days a week. Visit *www.irs.gov* for details.

IRS approved tax preparation software is available for online use on the Internet, for download from the Internet, and in retail stores. Visit *www.irs.gov/efile* for details.

If you do not qualify for the Free File options, visit our Partners Page at *www.irs.gov/efile* for partners that offer low-cost filing options.

Tax Return Page Reference

Questions about what to put on a line? Help is on the page number in the circle.

Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **2006**

Label (16) (See instructions on page 16.) Use the IRS label. Otherwise, please print or type. Presidential Election Campaign (16)

Your first name and initial | Last name | Your social security number (16)

If a joint return, spouse's first name and initial | Last name | Spouse's social security number (16)

FOR REFERENCE ONLY—DO NOT FILE

Home address (number and street). If you have a P.O. box, see page 16. | Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 16.

▲ You must enter your SSN(s) above ▲

Checking a box below will not change your tax or refund.

Check here if you, or your spouse if filing jointly, want $3 to go to this fund (see page 16) ▶ ☐ You ☐ Spouse

Filing Status (16) Check only one box.

1 ☐ Single
2 ☐ Married filing jointly (even if only one had income) (17)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here ▶
4 ☐ Head of household (with qualifying person). (See page 17.) If the qualifying person is a child but not your dependent, enter this child's name here ▶
5 ☐ Qualifying widow(er) with dependent child (see page 17)

Exemptions (18)

6a ☐ Yourself. If someone can claim you as a dependent, do not check box 6a
b ☐ Spouse
c Dependents: (1) First name, Last name | (2) Dependent's social security number | (3) Dependent's relationship to you | (4) ✓ if qualifying child for child tax credit (see page 19)

If more than four dependents, see page 19 (19) (21) (19)

Boxes checked on 6a and 6b
No. of children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see page 20)

Dependents on 6c not entered above (20)
Add numbers on lines above ▶

d Total number of exemptions claimed

Income (63) Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

7	Wages, salaries, tips, etc. Attach Form(s) W-2		7 (22)
8a	Taxable interest. Attach Schedule B if required		8a (23)
b	Tax-exempt interest. Do not include on line 8a (8-1)	8b (23)	
9a	Ordinary dividends. Attach Schedule B if required		9a (23)
b	Qualified dividends (see page 23)	9b (23)	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 24)		10 (24)
11	Alimony received		11 (25)
12	Business income or (loss). Attach Schedule C or C-EZ		12 (25)
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐		13 (25)
14	Other gains or (losses). Attach Form 4797		14 (25)
15a	IRA distributions (25)	b Taxable amount (see page 25)	15b (25)
16a	Pensions and annuities (26)	b Taxable amount (see page 26)	16b (26)
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17
18	Farm income or (loss). Attach Schedule F		18
19	Unemployment compensation		19 (27)
20a	Social security benefits (27)	b Taxable amount (see page 27) (29)	20b (27)
21	Other income. List type and amount (see page 29)		21
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶		22

If you did not get a W-2, see page 23. (23)

Enclose, but do not attach, any payment. Also, please use Form 1040-V. (62)

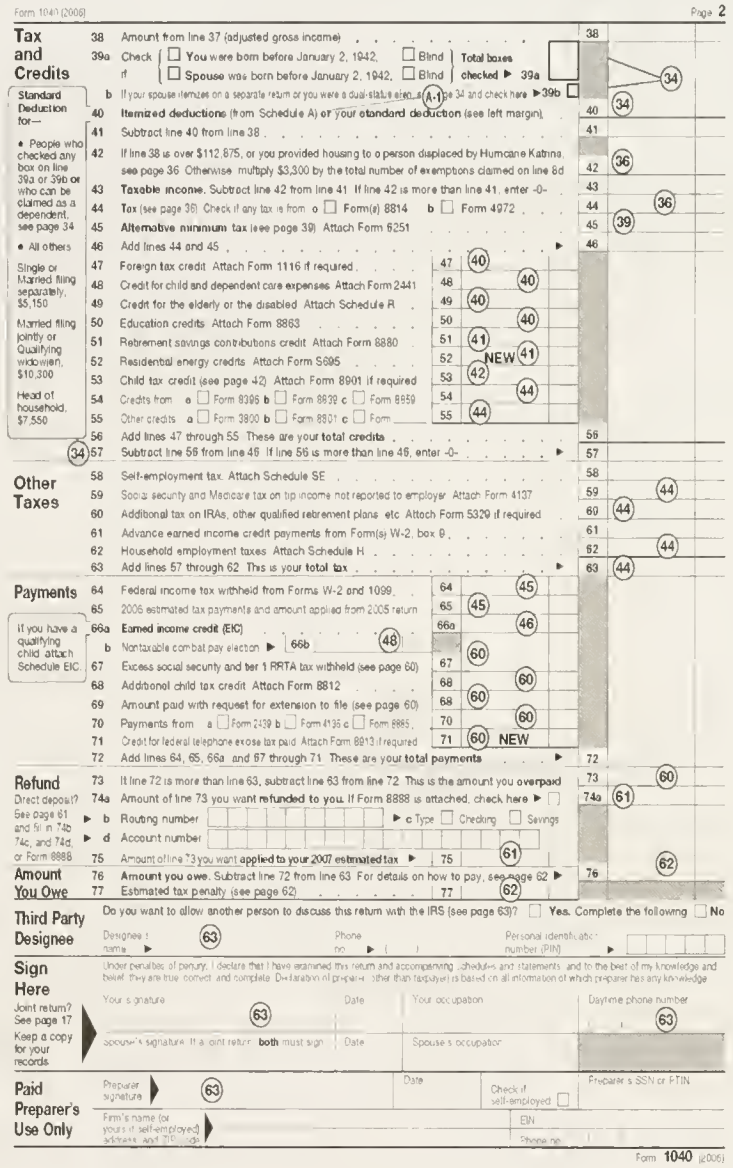
Adjusted Gross Income

23	Archer MSA deduction. Attach Form 8853	23 (29)	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24 (29)	
25	Health savings account deduction. Attach Form 8889	25 (29)	
26	Moving expenses. Attach Form 3903	26 (29)	
27	One-half of self-employment tax. Attach Schedule SE	27 (29)	
28	Self-employed SEP, SIMPLE, and qualified plans	28 (29)	
29	Self-employed health insurance deduction (see page 29)	29 (29)	
30	Penalty on early withdrawal of savings	30 (30)	
31a	Alimony paid b Recipient's SSN ▶	31a (30)	
32	IRA deduction (see page 31)	32 (31)	
33	Student loan interest deduction (see page 33)	33 (33)	
34	Jury duty pay you gave to your employer	34 (34)	
35	Domestic production activities deduction. Attach Form 8903	35 (34)	
36	Add lines 23 through 31a and 32 through 35		36 (34)
37	Subtract line 36 from line 22. This is your **adjusted gross income** ▶		37 (34)

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 80. Cat. No. 11320B Form **1040** (2006)

Tax Return Page Reference

Questions about what to put on a line? Help is on the page number in the circle.



IRS Customer Service Standards

At the IRS, our goal is to continually improve the quality of our services. To achieve that goal, we have developed customer service standards in the following areas.

- Easier filing and payment options.
- Access to information.
- Accuracy.
- Prompt refunds.
- Canceling penalties.
- Resolving problems.
- Simpler forms.

If you would like information about the IRS standards and a report of our accomplishments, see Pub. 2183.

Help With Unresolved Tax Issues

Taxpayer Advocate Service

The Taxpayer Advocate Service is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should. You may be eligible for assistance if:

- You are experiencing economic harm or significant cost (including fees for professional representation),
- You have experienced a delay of more than 30 days to resolve your tax issue, or
- You have not received a response or resolution to the problem by the date promised by the IRS

The service is free, confidential, tailored to meet your needs, and available for businesses as well as individuals. There is at least one local taxpayer advocate in each state, the District of Columbia, and Puerto Rico. Because advocates are part of the IRS, they know the tax system and how to navigate it. If you qualify for assistance, you will receive personalized service from a knowledgeable advocate who will:

- Listen to your problem,
- Help you understand what needs to be done to resolve it, and
- Stay with you every step of the way until your problem is resolved.

You can contact the Taxpayer Advocate Service by:

- Calling their toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059,
- Writing or calling your local taxpayer advocate, whose address and phone number are listed in the government listings in your local telephone directory and in Pub. 1546, The Taxpayer Advocate Service of the IRS—How to Get Help With Unresolved Tax Problems,
- Filing Form 911, Application for Taxpayer Assistance Order, with the Taxpayer Advocate Service, or
- Asking an IRS employee to complete Form 911 on your behalf

To get a copy of Form 911 or learn more about the Taxpayer Advocate Service, go to *www.irs.gov/advocate.*

Low Income Tax Clinics (LITCs)

LITCs are independent organizations that provide low income taxpayers with representation in federal tax controversies with the IRS for free or for a nominal charge. The clinics also provide tax education and outreach for taxpayers with limited English proficiency or who speak English as a second language. Pub. 4134, Low Income Taxpayer Clinic List, provides information on clinics in your area. It is available at *www.irs.gov* or your local IRS office.

Quick and Easy Access to Tax Help and Forms

TIP *If you live outside the United States, see Pub. 54 to find out how to get help and forms.*

Internet

You can access the IRS website 24 hours a day, 7 days a week, at *www.irs.gov* to:

- e-file Access commercial tax preparation and *e-file* services available free to eligible taxpayers;
- Check the status of your 2006 refund;
- Download forms, instructions, and publications;
- Order IRS products online;
- Research your tax questions online;
- Search publications online by topic or keyword;
- Figure your withholding allowances using our Withholding Calculator; and
- Sign up to receive local and national tax news by email.

Mail

You can order forms, instructions, and publications by completing the order blank on page 82. You should receive your order within 10 days after we receive your request.

Walk-In

You can pick up some of the most requested forms, instructions, and publications at many IRS offices, post offices, and libraries. Some grocery stores, copy centers, city and county government offices, credit unions, and office supply stores have a collection of reproducible tax forms available to photocopy or print from a CD-ROM.

Phone

You can order forms and publications and receive automated information by phone.

Forms and publications. Call 1-800-TAX-FORM (1-800-829-3676) during the hours shown on page 10 to order current-year forms, instructions, and publications, and prior-year forms and instructions. You should receive your order within 10 days.

TeleTax topics. Call 1-800-829-4477 24 hours a day, 7 days a week, to listen to pre-recorded messages covering about 150 tax topics. See pages 8 and 9 for a list of the topics.

Refund information. You can check the status of your 2006 refund 24 hours a day, 7 days a week. See page 8 for details.

IRS Tax Products CD

You can order Publication 1796, IRS Tax Products CD, and obtain:

- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Bonus: Historical Tax Products DVD – Ships with the final release.
- Tax Map: an electronic research tool and finding aid.
- Tax law frequently asked questions.
- Tax Topics from the IRS telephone response system.
- Fill-in, print, and save features for most tax forms.
- Internal Revenue Bulletins.
- Toll-free and email technical support.

The CD is released twice during the year. The first release will ship the beginning of January and the final release will ship the beginning of March.

Buy the CD from National Technical Information Service at *www.irs.gov/cdorders* for $25 (no handling fee) or call **1-877-CDFORMS** (1-877-233-6767) toll-free to buy the CD for $25 (plus a $5 handling fee). Price is subject to change.

Other ways to get help. See page 65 for information.

Refund Information

You can check on the status of your 2006 refund if it has been at least 6 weeks from the date you filed your return (3 weeks if you filed electronically). But if you filed Form 8379 with your return, allow 14 weeks (11 weeks if you filed electronically).

Be sure to have a copy of your 2006 tax return available because you will need to know the filing status and the exact whole-dollar amount of your refund. Then, do one of the following.

- Go to *www.irs.gov* and click on *Where's My Refund.*
- Call 1-800-829-4477 24 hours a day, 7 days a week, for automated refund information.
- Call 1-800-829-1954 during the hours shown on page 10.

TIP *Refunds are sent out weekly on Fridays. If you check the status of your refund and are not given the date it will be issued, please wait until the next week before checking back.*

Do not send in a copy of your return unless asked to do so.

To get a refund, you generally must file your return within 3 years from the date the return was due (including extensions).

What Is TeleTax?

Recorded Tax Information

Recorded tax information is available 24 hours a day, 7 days a week. Select the number of the topic you want to hear. Then, call 1-800-829-4477. Have paper and pencil handy to take notes.

Topics by Internet

TeleTax topics are also available through the IRS website at *www.irs.gov*.

TeleTax Topics

All topics are available in Spanish.

Topic No.	Subject
	IRS Help Available
101	IRS services—Volunteer tax assistance, toll-free telephone, walk-in assistance, and outreach programs
102	Tax assistance for individuals with disabilities and the hearing impaired
103	Tax help for small businesses and the self-employed
104	Taxpayer Advocate Service—Help for problem situations
105	Armed Forces tax information
107	Tax relief in disaster situations
	IRS Procedures
151	Your appeal rights
152	Refunds—How long they should take
153	What to do if you haven't filed your tax return
154	2006 Form W-2 and Form 1099-R—What to do if not received
155	Forms and publications—How to order
156	Copy of your tax return—How to get one
157	Change of address—How to notify IRS
158	Ensuring proper credit of payments
159	Prior year(s) Form W-2—How to get a copy of
	Collection
201	The collection process
202	Tax payment options
203	Failure to pay child support and federal nontax and state income tax obligations
204	Offers in compromise
205	Innocent spouse relief (and separation of liability and equitable relief)
	Alternative Filing Methods
253	Substitute tax forms
254	How to choose a paid tax preparer
	General Information
301	When, where, and how to file
302	Highlights of tax changes
303	Checklist of common errors when preparing your tax return
304	Extension of time to file your tax return
305	Recordkeeping
306	Penalty for underpayment of estimated tax
307	Backup withholding
308	Amended returns
309	Roth IRA contributions
310	Coverdell education savings accounts
311	Power of attorney information
312	Disclosure authorizations
313	Qualified tuition programs (QTPs)
	Filing Requirements, Filing Status, and Exemptions
351	Who must file?
352	Which form—1040, 1040A, or 1040EZ?
353	What is your filing status?
354	Dependents
355	Estimated tax
356	Decedents
357	Tax information for parents of kidnapped children
	Types of Income
401	Wages and salaries
402	Tips
403	Interest received
404	Dividends
405	Refunds of state and local taxes

TeleTax Topics

(Continued)

Topic No.	Subject
406	Alimony received
407	Business income
408	Sole proprietorship
409	Capital gains and losses
410	Pensions and annuities
411	Pensions—The general rule and the simplified method
412	Lump-sum distributions
413	Rollovers from retirement plans
414	Rental income and expenses
415	Renting residential and vacation property
416	Farming and fishing income
417	Earnings for clergy
418	Unemployment compensation
419	Gambling income and expenses
420	Bartering income
421	Scholarship and fellowship grants
422	Nontaxable income
423	Social security and equivalent railroad retirement benefits
424	401(k) plans
425	Passive activities—Losses and credits
426	Other income
427	Stock options
428	Roth IRA distributions
429	Traders in securities (information for Form 1040 filers)
430	Exchange of policyholder interest for stock
	Adjustments to Income
451	Individual retirement arrangements (IRAs)
452	Alimony paid
453	Bad debt deduction
455	Moving expenses
456	Student loan interest deduction
	Itemized Deductions
501	Should I itemize?
502	Medical and dental expenses
503	Deductible taxes
504	Home mortgage points
505	Interest expense
506	Contributions
507	Casualty and theft losses
508	Miscellaneous expenses
509	Business use of home
510	Business use of car
511	Business travel expenses
512	Business entertainment expenses
513	Educational expenses
514	Employee business expenses
515	Casualty, disaster, and theft losses
	Tax Computation
551	Standard deduction
552	Tax and credits figured by the IRS
553	Tax on a child's investment income
554	Self-employment tax
555	Ten-year tax option for lump-sum distributions
556	Alternative minimum tax
557	Tax on early distributions from traditional and Roth IRAs
558	Tax on early distributions from retirement plans
	Tax Credits
601	Earned income credit (EIC)
602	Child and dependent care credit
603	Credit for the elderly or the disabled
604	Advance earned income credit
605	Education credits
606	Child tax credits
607	Adoption credit
608	Excess social security and RRTA tax withheld
610	Retirement savings contributions credit
	IRS Notices
651	Notices—What to do
652	Notice of underreported income—CP 2000
653	IRS notices and bills, penalties, and interest charges
	Basis of Assets, Depreciation, and Sale of Assets
701	Sale of your home
703	Basis of assets
704	Depreciation
705	Installment sales
	Employer Tax Information
751	Social security and Medicare withholding rates
752	Form W-2—Where, when, and how to file
753	Form W-4—Employee's Withholding Allowance Certificate
754	Form W-5—Advance earned income credit
755	Employer identification number (EIN)—How to apply
756	Employment taxes for household employees
757	Form 941—Deposit requirements
758	Form 941—Employer's Quarterly Federal Tax Return
759	Form 940—Deposit requirements
760	Form 940—Employer's Annual Federal Unemployment Tax Return
761	Tips—Withholding and reporting
762	Independent contractor vs. employee
	Electronic Magnetic Media Filers—1099 Series and Related Information Returns
801	Who must file magnetically
802	Applications, forms, and information
803	Waivers and extensions
804	Test files and combined federal and state filing
805	Electronic filing of information returns
	Tax Information for Aliens and U.S. Citizens Living Abroad
851	Resident and nonresident aliens
852	Dual-status alien
853	Foreign earned income exclusion—General
854	Foreign earned income exclusion—Who qualifies?
855	Foreign earned income exclusion—What qualifies?
856	Foreign tax credit
857	Individual taxpayer identification number (ITIN)—Form W-7
858	Alien tax clearance
	Tax Information for Puerto Rico Residents (in Spanish only)
901	Is a person with income from Puerto Rican sources required to file a federal income tax return?
902	Credits and deductions for taxpayers with Puerto Rican source income that is exempt from U.S. tax
903	Federal employment taxes for employers in Puerto Rico
904	Tax assistance for Puerto Rico residents

Topic numbers are effective January 1, 2007.

Calling the IRS

If you cannot find the answer to your question using one of the methods listed on page 7, please call us for assistance at 1-800-829-1040. You will not be charged for the call unless your phone company charges you for toll-free calls. Our normal hours of operation are Monday through Friday from 7:00 a.m. to 10:00 p.m. local time. Assistance provided to callers from Alaska and Hawaii will be based on the hours of operation in the Pacific time zone.

TIP *If you want to check the status of your 2006 refund, see* Refund Information on page 8.

Before You Call

IRS representatives care about the quality of the service provided to you, our customer. You can help us provide accurate, complete answers to your questions by having the following information available.

- The tax form, schedule, or notice to which your question relates.
- The facts about your particular situation. The answer to the same question often varies from one taxpayer to another because of differences in their age, income, whether they can be claimed as a dependent, etc.
- The name of any IRS publication or other source of information that you used to look for the answer.

To maintain your account security, you may be asked for the following information, which you should also have available.

- Your social security number.
- The amount of refund and filing status shown on your tax return.
- The "Caller ID Number" shown at the top of any notice you received.
- Your personal identification number (PIN) if you have one.
- Your date of birth.
- The numbers in your street address.
- Your ZIP code.

If you are asking for an installment agreement to pay your tax, you will be asked for the highest amount you can pay each month and the date on which you can pay it.

Evaluation of services provided. The IRS uses several methods to evaluate our telephone service. One method is to record telephone calls for quality purposes only. A random sample of recorded calls is selected for review through the quality assurance process. Other methods include listening to live calls in progress and random selection of customers for participation in a customer satisfaction survey.

Making the Call

Call 1-800-829-1040 (deaf customers with access to TTY/TDD equipment may call 1-800-829-4059). Our menu allows you to speak your responses or use your keypad to select a menu option. After receiving your menu selection, the system will direct your call to the appropriate assistance. You can do the following within the system.

- Order tax forms and publications.
- Find out what you owe.
- Determine if we have adjusted your account or received payments you made.
- Request a transcript of your tax return or account.
- Find out where to send your tax return or payment.
- Request more time to pay or set up a monthly installment agreement.
- Find out if you qualify for innocent spouse relief.

Before You Hang Up

If you do not fully understand the answer you receive, or you feel our representative may not fully understand your question, our representative needs to know this. He or she will be happy to take additional time to be sure your question is answered fully.

By law, you are responsible for paying your share of federal income tax. If we should make an error in answering your question, you are still responsible for the payment of the correct tax. Should this occur, however, you will not be charged any penalty.

Before You Fill In Form 1040

TIP *For details on these and other changes for 2006 and 2007, see Pub. 553.*

What's New for 2006

Credit for federal telephone excise tax paid. If you paid the federal excise tax on your long distance or bundled telephone service, you may be able to request a credit. See the instructions for line 71 on page 60.

Alternative minimum tax (AMT) exemption amount increased. The AMT exemption amount is increased to $42,500 ($62,550 if married filing jointly or a qualifying widow(er); $31,275 if married filing separately).

Direct deposit of refunds. If you choose direct deposit of your refund, you may be able to split the refund into two or three accounts. See the instructions for line 74a on page 61.

New credit for residential energy improvements. You may be able to take a residential energy credit for amounts paid in 2006 to have qualified energy saving items installed in connection with your home. See the instructions for line 52 on page 41.

IRA deduction expanded. You may be able to take an IRA deduction if you were covered by a retirement plan and your 2006 modified adjusted gross income (AGI) is less than $85,000 if married filing jointly or qualifying widow(er). You and your spouse, if filing jointly, may each be able to deduct up to $5,000 if age 50 or older at the end of 2006.

For purposes of taking an IRA deduction, earned income includes any nontaxable combat pay received by a member of the U.S. Armed Forces.

Elective salary deferrals. The maximum amount you can defer under all plans is generally limited to $15,000 ($10,000 if you only have SIMPLE plans; $18,000 for section 403(b) plans if you qualify for the 15-year rule). The catch-up contribution limit increased to $5,000 ($2,500 for SIMPLE plans). See the instructions for line 7 on page 22.

Standard mileage rates. The 2006 rate for business use of your vehicle is 44½ cents a mile. The 2006 rate for use of your vehicle to get medical care or to move is 18 cents a mile.

Alternative motor vehicles. You may be able to take a credit if you place an alternative motor vehicle (including a qualified hybrid vehicle) or alternative fuel vehicle refueling property in service in 2006. See Forms 8910 and 8911. You can no longer take a deduction for clean-fuel vehicles or refueling property.

Earned income credit (EIC). You may be able to take the EIC if:

- A child lived with you and you earned less than $36,348 ($38,348 if married filing jointly), or
- A child did not live with you and you earned less than $12,120 ($14,120 if married filing jointly).

The maximum AGI you can have and still get the credit also has increased. You may be able to take the credit if your AGI is less than the amount in the above list that applies to you.

The maximum investment income you can have and still get the credit has increased to $2,800.

See the instructions for lines 66a and 66b that begin on page 46.

Personal exemption and itemized deduction phaseouts reduced. Taxpayers with adjusted gross income above a certain amount may lose part of their deduction for personal exemptions and itemized deductions. The amount by which these deductions are reduced in 2006 is only ⅓ of the amount of the reduction that would otherwise have applied.

Tax on children's income. Form 8615 must be used to figure the tax of children under age 18 with investment income of more than $1,700. See the instructions for line 44 that begin on page 36. The election to report a child's investment income on a parent's return and the special rule for when a child must file Form 6251 also now apply to children under age 18. See pages 12 and 40.

Foreign earned income tax worksheet. If you claim the foreign earned income exclusion or housing exclusion on Form 2555 or Form 2555-EZ, you must use the Foreign Earned Income Tax Worksheet to figure your tax. See page 37.

IRA distribution for charitable purposes. A distribution from your IRA that was made directly by the trustee to a qualified charitable organization may be nontaxable if you were at least age 70½ when the distribution was made. See the instructions for lines 15a and 15b on page 25.

New credits for clean renewable energy bonds or Gulf tax credit bonds. You may be able to take a credit based on the face amount of any clean renewable energy bond or Gulf tax credit bond you hold during 2006. The amount of any credit before tax liability limits must be included as interest income. See Form 8912.

Mailing your return. You may be mailing your return to a different address this year because the IRS has changed the filing location for several areas. If you received an envelope with your tax package, please use it. Otherwise, see *Where Do You File?* on the back cover.

Expired tax benefits. The following tax benefits have expired and will not apply for 2006.

- Deduction for educator expenses in figuring adjusted gross income.
- Tuition and fees deduction.
- District of Columbia first-time homebuyer credit (for homes purchased after 2005).

CAUTION *At the time these instructions went to print, Congress was considering legislation that would reinstate these expired tax benefits. To find out if this legislation was enacted, and for more details, go to* www.irs.gov, *click on* More Forms and Publications, *and then on* What's Hot *in forms and publications, or see Pub. 553.*

What's New for 2007

IRA deduction expanded. You may be able to take an IRA deduction if you were covered by a retirement plan and your 2007 modified adjusted gross income (AGI) is less than $62,000 ($103,000 if married filing jointly or qualifying widow(er)).

Earned income credit (EIC). You may be able to take the EIC if:

- A child lived with you and you earned less than $37,783 ($39,783 if married filing jointly), or
- A child did not live with you and you earned less than $12,590 ($14,590 if married filing jointly).

The maximum AGI you can have and still get the credit also has increased. You may be able to take the credit if your AGI is less than the amount in the above list that applies to you.

The maximum investment income you can have and still get the credit has increased to $2,900.

Nontaxable combat pay. The election to include nontaxable combat pay in earned income for the EIC will expire.

Domestic production activities deduction. The deduction rate for 2007 will be increased to 6%.

Exemption for housing person displaced by Hurricane Katrina expires. The additional exemption amount for housing a person displaced by Hurricane Katrina will expire.

Filing Requirements

These rules apply to all U.S. citizens, regardless of where they live, and resident aliens.

e-file Have you tried IRS *e-file*? It's the fastest way to get your refund and it's free if you are eligible. Visit *www.irs.gov* for details.

Do You Have To File?

Use Chart A, B, or C to see if you must file a return. U.S. citizens who lived in or had income from a U.S. possession should see Pub. 570, Residents of Puerto Rico can use TeleTax topic 901 (see page 8) to see if they must file.

TIP *Even if you do not otherwise have to file a return, you should file one to get a refund of any federal income tax withheld. You should also file if you are eligible for the earned income credit, additional child tax credit, health coverage tax credit, or credit for federal telephone excise tax paid.*

Exception for children under age 18. If you are planning to file a tax return for your child who was under age 18 at the end of 2006 and certain other conditions apply, you can elect to include your child's income on your return. But you must use Form 8814 to do so. If you make this election, your child does not have to file a return. For details, use TeleTax topic 553 (see page 8) or see Form 8814.

A child born on January 1, 1989, is considered to be age 18 at the end of 2006. Do not use Form 8814 for such a child.

Resident aliens. These rules also apply if you were a resident alien. Also, you may qualify for certain tax treaty benefits. See Pub. 519 for details.

Nonresident aliens and dual-status aliens. These rules also apply if you were a nonresident alien or a dual-status alien and both of the following apply.

- You were married to a U.S. citizen or resident alien at the end of 2006.
- You elected to be taxed as a resident alien.

See Pub. 519 for details.

CAUTION *Specific rules apply to determine if you are a resident alien, nonresident alien, or dual-status alien. Most nonresident aliens and dual-status aliens have different filing requirements and may have to file Form 1040NR or Form 1040NR-EZ. Pub. 519 discusses these requirements and other information to help aliens comply with U.S. tax law, including tax treaty benefits and special rules for students and scholars.*

When and Where Should You File?

File Form 1040 by **April 16, 2007.** If you live in Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont, or the District of Columbia, you have until April 17, 2007. If you file after this date, you may have to pay interest and penalties. See page 65.

See the back cover for filing instructions and addresses. For details on using a private delivery service, see page 15.

What if You Cannot File on Time?

You can get an automatic 6-month extension if, no later than the date your return is due, you file Form 4868. For details, see Form 4868.

CAUTION *An automatic 6-month extension to file does not extend the time to pay your tax. See Form 4868.*

If you are a U.S. citizen or resident alien, you may qualify for an automatic extension of time to file without filing Form 4868. You qualify if, on the due date of your return, you meet one of the following conditions.

- You live outside the United States and Puerto Rico and your main place of business or post of duty is outside the United States and Puerto Rico.
- You are in military or naval service on duty outside the United States and Puerto Rico.

This extension gives you an extra 2 months to file and pay the tax, but interest will be charged from the original due date of the return on any unpaid tax. You must attach a statement to your return showing that you meet the requirements. If you are still unable to file your return by the end of the 2-month period, you can get an additional 4 months if, no later than June 15, 2007, you file Form 4868. This 4-month extension of time to file does not extend the time to pay your tax. See Form 4868.

Chart A—For Most People

IF your filing status is . . .	AND at the end of 2006 you were* . . .	THEN file a return if your gross income** was at least . . .
Single	under 65	$8,450
	65 or older	9,700
Married filing jointly***	under 65 (both spouses)	$16,900
	65 or older (one spouse)	17,900
	65 or older (both spouses)	18,900
Married filing separately (see page 17)	any age	$3,300
Head of household (see page 17)	under 65	$10,850
	65 or older	12,100
Qualifying widow(er) with dependent child (see page 17)	under 65	$13,600
	65 or older	14,600

** If you were born on January 1, 1942, you are considered to be age 65 at the end of 2006.*

*** **Gross income** means all income you received in the form of money, goods, property, and services that is not exempt from tax, including any income from sources outside the United States (even if you can exclude part or all of it). Do not include social security benefits unless you are married filing a separate return and you lived with your spouse at any time in 2006.*

**** If you did not live with your spouse at the end of 2006 (or on the date your spouse died) and your gross income was at least $3,300, you must file a return regardless of your age.*

Chart B—For Children and Other Dependents (See the instructions for line 6c that begin on page 19 to find out if someone can claim you as a dependent.)

If your parent (or someone else) can claim you as a dependent, use this chart to see if you must file a return. In this chart, **unearned income** includes taxable interest, ordinary dividends, and capital gain distributions. **Earned income** includes wages, tips, and taxable scholarship and fellowship grants. **Gross income** is the total of your unearned and earned income.

Single dependents. Were you **either** age 65 or older **or** blind?

☐ **No.** You must file a return if **any** of the following apply.
- Your unearned income was over $850.
- Your earned income was over $5,150.
- Your gross income was more than the **larger** of
 - $850, or
 - Your earned income (up to $4,850) plus $300.

☐ **Yes.** You must file a return if **any** of the following apply.
- Your unearned income was over $2,100 ($3,350 if 65 or older **and** blind).
- Your earned income was over $6,400 ($7,650 if 65 or older **and** blind).
- Your gross income was more than

The larger of:	Plus	This amount:
• $850, or • Your earned income (up to $4,850) plus $300	}	$1,250 ($2,500 if 65 or older and blind)

Married dependents. Were you **either** age 65 or older **or** blind?

☐ **No.** You must file a return if **any** of the following apply.
- Your unearned income was over $850.
- Your earned income was over $5,150.
- Your gross income was at least $5 and your spouse files a separate return and itemizes deductions.
- Your gross income was more than the **larger** of
 - $850, or
 - Your earned income (up to $4,850) plus $300.

☐ **Yes.** You must file a return if **any** of the following apply.
- Your unearned income was over $1,850 ($2,850 if 65 or older **and** blind).
- Your earned income was over $6,150 ($7,150 if 65 or older **and** blind).
- Your gross income was at least $5 and your spouse files a separate return and itemizes deductions.
- Your gross income was more than

The larger of:	Plus	This amount:
• $850, or • Your earned income (up to $4,850) plus $300	}	$1,000 ($2,000 if 65 or older and blind)

Chart C—Other Situations When You Must File

You must file a return if any of the four conditions below apply for 2006.

1. You owe any special taxes, including any of the following.
 a. Alternative minimum tax.
 b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file **Form 5329** by itself.
 c. Household employment taxes. But if you are filing a return only because you owe this tax, you can file **Schedule H** by itself.
 d. Social security and Medicare tax on tips you did not report to your employer.
 e. Write-in taxes, including uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance and additional tax on health savings account distributions. See the instructions for line 63 that begin on page 44.
 f. Recapture taxes. See the instructions for line 44, that begin on page 36, and line 63, that begin on page 44.
2. You received any advance earned income credit (EIC) payments from your employer. These payments are shown in Form W-2, box 9.
3. You had net earnings from self-employment of at least $400.
4. You had wages of $108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.

Where To Report Certain Items From 2006 Forms W-2, 1098, and 1099

IRS *e-file* takes the guesswork out of preparing your return. You may also be eligible to use free online commercial tax preparation software to file your federal income tax return. Visit *www.irs.gov/efile* for details.

If any federal income tax withheld is shown on these forms, include the tax withheld on Form 1040, line 64. If you itemize your deductions and any state or local income tax withheld is shown on these forms, include the tax withheld on Schedule A, line 5.

Form	Item and Box in Which It Should Appear	Where To Report If Filing Form 1040
W-2	Wages, tips, other compensation (box 1)	Form 1040, line 7
	Allocated tips (box 8)	See *Wages, Salaries, Tips, etc.* on page 22
	Advance EIC payment (box 9)	Form 1040, line 61
	Dependent care benefits (box 10)	Form 2441, line 12
	Adoption benefits (box 12, code T)	Form 8839, line 22
	Employer contributions to an Archer MSA (box 12, code R)	Form 8853, line 3
	Employer contributions to a health savings account (box 12, code W)	Form 8889, line 9
W-2G	Gambling winnings (box 1)	Form 1040, line 21 (Schedule C or C-EZ for professional gamblers)
1098	Mortgage interest (box 1) Points (box 2)	Schedule A, line 10*
	Refund of overpaid interest (box 3)	Form 1040, line 21, but first see the instructions on Form 1098*
1098-C	Contributions of motor vehicles, boats, and airplanes	Schedule A, line 16
1098-E	Student loan interest (box 1)	See the instructions for Form 1040, line 33, on page 33*
1098-T	Qualified tuition and related expenses (box 1)	See the instructions for Form 1040, line 50, on page 40, but first see the instructions on Form 1098-T*
1099-A	Acquisition or abandonment of secured property	See Pub. 544
1099-B	Stocks, bonds, etc. (box 2)	See the instructions on Form 1099-B
	Bartering (box 3)	See Pub. 525
	Aggregate profit or (loss) (box 11)	Form 6781, line 1
1099-C	Canceled debt (box 2)	Form 1040, line 21, but first see the instructions on Form 1099-C*
1099-DIV	Total ordinary dividends (box 1a)	Form 1040, line 9a
	Qualified dividends (box 1b)	See the instructions for Form 1040, line 9b, on page 23
	Total capital gain distributions (box 2a)	Form 1040, line 13, or, if required, Schedule D, line 13
	Unrecaptured section 1250 gain (box 2b)	See the instructions for Schedule D, line 19, that begin on page D-8
	Section 1202 gain (box 2c)	See *Exclusion of Gain on Qualified Small Business (QSB) Stock* in the instructions for Schedule D on page D-4
	Collectibles (28%) gain (box 2d)	See the instructions for Schedule D, line 18, on page D-7
	Nondividend distributions (box 3)	See the instructions for Form 1040, line 9a, on page 23
	Investment expenses (box 5)	Schedule A, line 22
	Foreign tax paid (box 6)	Form 1040, line 47, or Schedule A, line 8. But first see the instructions for line 47 on page 40
1099-G	Unemployment compensation (box 1)	Form 1040, line 19. But if you repaid any unemployment compensation in 2006, see the instructions for line 19 on page 27
	State or local income tax refunds, credits, or offsets (box 2)	See the instructions for Form 1040, line 10, on page 24. If box 8 on Form 1099-G is checked, see the box 8 instructions
	ATAA payments (box 5)	Form 1040, line 21
	Taxable grants (box 6)	Form 1040, line 21*
	Agriculture payments (box 7)	See the Instructions for Schedule F or Pub. 225*

* *If the item relates to an activity for which you are required to file Schedule C, C-EZ, E, or F or Form 4835, report the taxable or deductible amount allocable to the activity on that schedule or form instead.*

Form	Item and Box in Which It Should Appear	Where To Report if Filing Form 1040
1099-INT	Interest income (box 1)	See the instructions for Form 1040, line 8a, on page 23
	Early withdrawal penalty (box 2)	Form 1040, line 30
	Interest on U.S. savings bonds and Treasury obligations (box 3)	See the instructions for Form 1040, line 8a, on page 23
	Investment expenses (box 5)	Schedule A, line 22
	Foreign tax paid (box 6)	Form 1040, line 47, or Schedule A, line 8. But first see the instructions for line 47 on page 40
	Tax-exempt interest (box 8)	Form 1040, line 8b
	Specified private activity bond interest (box 9)	Form 6251, line 11
1099-LTC	Long-term care and accelerated death benefits	See Pub. 502 and the instructions for Form 8853
1099-MISC	Rents (box 1)	See the instructions for Schedule E*
	Royalties (box 2)	Schedule E, line 4 (for timber, coal, and iron ore royalties, see Pub. 544)*
	Other income (box 3)	Form 1040, line 21*
	Nonemployee compensation (box 7)	Schedule C, C-EZ, or F. But if you were not self-employed, see the instructions on Form 1099-MISC
	Excess golden parachute payments (box 13)	See the instructions for Form 1040, line 63, that begin on page 44
	Other (boxes 5, 6, 8, 9, 10, 14, and 15b)	See the instructions on Form 1099-MISC
1099-OID	Original issue discount (box 1) Other periodic interest (box 2)	See the instructions on Form 1099-OID
	Early withdrawal penalty (box 3)	Form 1040, line 30
	Original issue discount on U.S. Treasury obligations (box 6)	See the instructions on Form 1099-OID
	Investment expenses (box 7)	Schedule A, line 22
1099-PATR	Patronage dividends and other distributions from a cooperative (boxes 1, 2, 3, and 5)	Schedule C, C-EZ, or F or Form 4835, but first see the instructions on Form 1099-PATR
	Domestic production activities deduction (box 6)	Form 8903, line 17
	Credits (boxes 7, 8, and 10)	Form 3468, 5884, 5884-A, 6478, 8835, 8844, 8845, 8861, 8864, or 8896
	Patron's AMT adjustment (box 9)	Form 6251, line 26
	Deduction for small refiner capital costs (box 10)	Schedule C, C-EZ, or F
1099-Q	Qualified education program payments	See the instructions for Form 1040, line 21, on page 29
1099-R	Distributions from IRAs**	See the instructions for Form 1040, lines 15a and 15b, on page 25
	Distributions from pensions, annuities, etc.	See the instructions for Form 1040, lines 16a and 16b, that begin on page 26
	Capital gain (box 3)	See the instructions on Form 1099-R
1099-S	Gross proceeds from real estate transactions (box 2)	Form 4797, Form 6252, or Schedule D. But if the property was your home, see the instructions for Schedule D to find out if you must report the sale or exchange
	Buyer's part of real estate tax (box 5)	See the instructions for Schedule A, line 6, on page A-3*
1099-SA	Distributions from health savings accounts (HSAs)	Form 8889, line 12a
	Distributions from MSAs***	Form 8853

* *If the item relates to an activity for which you are required to file Schedule C, C-EZ, E, or F or Form 4835, report the taxable or deductible amount allowable to the activity on that schedule or form instead.*
** *This includes distributions from Roth, SEP, and SIMPLE IRAs.*
*** *This includes distributions from Archer and Medicare Advantage MSAs.*

Private Delivery Services

You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following.

- DHL Express (DHL): DHL Same Day Service, DHL Next Day 10:30 am, DHL Next Day 12:00 pm, DHL Next Day 3:00 pm, and DHL 2nd Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

CAUTION *Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.*

Line Instructions for Form 1040

e-file IRS *e-file* takes the guesswork out of preparing your return. You may also be eligible to use free online commercial tax preparation software to file your federal income tax return. Visit *www.irs.gov/efile* for details.

Section references are to the Internal Revenue Code.

Name and Address

Use the Peel-Off Label

Using your peel-off name and address label on the back of this booklet will speed the processing of your return. It also prevents common errors that can delay refunds or result in unnecessary notices. Put the label on your return after you have finished it. Cross out any incorrect information and print the correct information. Add any missing items, such as your apartment number.

Address Change

If the address on your peel-off label is not your current address, cross out your old address and print your new address. If you plan to move after filing your return, use Form 8822 to notify the IRS of your new address.

Name Change

If you changed your name because of marriage, divorce, etc., be sure to report the change to your local Social Security Administration office before filing your return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits. See page 64 for more details. If you received a peel-off label, cross out your former name and print your new name.

What if You Do Not Have a Label?

Print or type the information in the spaces provided. If you are married filing a separate return, enter your spouse's name on line 3 instead of below your name.

TIP *If you filed a joint return for 2005 and you are filing a joint return for 2006 with the same spouse, be sure to enter your names and SSNs in the same order as on your 2005 return.*

P.O. Box

Enter your box number only if your post office does not deliver mail to your home.

Foreign Address

Enter the information in the following order: City, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

Death of a Taxpayer

See page 65.

Social Security Number (SSN)

An incorrect or missing SSN can increase your tax or reduce your refund. To apply for an SSN, fill in Form SS-5 and return it, along with the appropriate evidence documents, to the Social Security Administration (SSA). You can get Form SS-5 online at *www.socialsecurity.gov*, from your local SSA office, or by calling the SSA at 1-800-772-1213. It usually takes about 2 weeks to get an SSN once the SSA has all the evidence and information it needs.

Check that your SSN on your Forms W-2 and 1099 agrees with your social security card. If not, see page 64 for more details.

IRS Individual Taxpayer Identification Numbers (ITINs) for Aliens

If you are a nonresident or resident alien and you do not have and are not eligible to get an SSN, you must apply for an ITIN. For details on how to do so, see Form W-7 and its instructions. It usually takes about 4-6 weeks to get an ITIN.

If you already have an ITIN, enter it wherever your SSN is requested on your tax return.

Note. An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.

Nonresident Alien Spouse

If your spouse is a nonresident alien and you file a joint or separate return, your spouse must have either an SSN or an ITIN.

Presidential Election Campaign Fund

This fund helps pay for Presidential election campaigns. The fund reduces candidates' dependence on large contributions from individuals and groups and places candidates on an equal financial footing in the general election. If you want $3 to go to this fund, check the box. If you are filing a joint return, your spouse can also have $3 go to the fund. If you check a box, your tax or refund will not change.

Filing Status

Check only the filing status that applies to you. The ones that will usually give you the lowest tax are listed last.

- Married filing separately
- Single
- Head of household
- Married filing jointly or qualifying widow(er) with dependent child

TIP *More than one filing status can apply to you. Choose the one that will give you the lowest tax.*

Line 1

Single

You can check the box on line 1 if any of the following was true on December 31, 2006.

- You were never married.
- You were legally separated, according to your state law, under a decree of divorce or separate maintenance.
- You were widowed before January 1, 2006, and did not remarry before the end of 2006. But if you have a dependent child, you may be able to use the qualifying widow(er) filing status. See the instructions for line 5 that begin on page 17.

Line 2

Married Filing Jointly

You can check the box on line 2 if any of the following apply.

- You were married at the end of 2006, even if you did not live with your spouse at the end of 2006.
- Your spouse died in 2006 and you did not remarry in 2006.
- You were married at the end of 2006, and your spouse died in 2007 before filing a 2006 return.

For federal tax purposes, a marriage means only a legal union between a man and a woman as husband and wife. A husband and wife can file a joint return even if only one had income or if they did not live together all year. However, both persons must sign the return. Once you file a joint return, you cannot choose to file separate returns for that year after the due date of the return.

Joint and several tax liability. If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. This means that if one spouse does not pay the tax due, the other may have to. However, see *Innocent Spouse Relief* on page 64.

Nonresident aliens and dual-status aliens. Generally, a husband and wife cannot file a joint return if either spouse is a nonresident alien at any time during the year. However, if you were a nonresident alien or a dual-status alien and were married to a U.S. citizen or resident alien at the end of 2006, you may elect to be treated as a resident alien and file a joint return. See Pub. 519 for details.

Line 3

Married Filing Separately

If you are married and file a separate return, you will usually pay more tax than if you use another filing status for which you qualify. Also, if you file a separate return, you cannot take the student loan interest deduction, the education credits, or the earned income credit. You also cannot take the standard deduction if your spouse itemizes deductions.

Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people in community property states. See page 22.

TIP *You may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 2006. See* Married persons who live apart *on this page.*

Line 4

Head of Household

TIP *Special rules may apply for people who had to relocate because of Hurricane Katrina, Rita, or Wilma. For details, see Pub. 4492.*

This filing status is for unmarried individuals who provide a home for certain other persons. (Some married persons who live apart are considered unmarried. See *Married persons who live apart* on this page.) You can check the box on line 4 only if you were unmarried or legally separated (according to your state law) under a decree of divorce or separate maintenance at the end of 2006 and either 1 or 2 below applies.

1. You paid over half the cost of keeping up a home that was the main home for all of 2006 of your parent whom you can claim as a dependent, except under a multiple support agreement (see page 21). Your parent did not have to live with you.

2. You paid over half the cost of keeping up a home in which you lived and in which one of the following also lived for more than half of the year (if half or less, see *Exception to time lived with you* below).

a. Any person whom you can claim as a dependent. But do not include:

i. Your qualifying child (as defined in Step 1 on page 19) whom you claim as your dependent based on the rule for *Children of divorced or separated parents* that begins on page 20.

ii. Any person who is your dependent only because he or she lived with you for all of 2006, or

iii. Any person you claimed as a dependent under a multiple support agreement. See page 21.

b. Your unmarried qualifying child who is not your dependent.

c. Your married qualifying child who is not your dependent only because you can be claimed as a dependent on someone else's 2006 return.

d. Your child who is neither your dependent nor your qualifying child because of the rule for *Children of divorced or separated parents* that begins on page 20.

If the child is not your dependent, enter the child's name on line 4. If you do not enter the name, it will take us longer to process your return.

Dependent. To find out if someone is your dependent, see the instructions for line 6c that begin on page 19.

Exception to time lived with you. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, and detention in a juvenile facility, count as time lived in the home. If the person for whom you kept up a home was born or died in 2006, you can still file as head of household as long as the home was that person's main home for the part of the year he or she was alive. Also see *Kidnapped child* on page 21, if applicable.

Keeping up a home. To find out what is included in the cost of keeping up a home, see Pub. 501.

If you used payments you received under Temporary Assistance for Needy Families (TANF) or other public assistance programs to pay part of the cost of keeping up your home, you cannot count them as money you paid. However, you must include them in the total cost of keeping up your home to figure if you paid over half the cost.

Married persons who live apart. Even if you were not divorced or legally separated at the end of 2006, you are considered unmarried if all of the following apply.

- You lived apart from your spouse for the last 6 months of 2006. Temporary absences for special circumstances, such as for business, medical care, school, or military service, count as time lived in the home.
- You file a separate return from your spouse.
- You paid over half the cost of keeping up your home for 2006.
- Your home was the main home of your child, stepchild, or foster child for more than half of 2006 (if half or less, see *Exception to time lived with you* on this page).
- You can claim this child as your dependent or could claim the child except that the child's other parent can claim him or her under the rule for *Children of divorced or separated parents* that begins on page 20.

Adopted child. An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

Foster child. A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Line 5

Qualifying Widow(er) With Dependent Child

TIP *Special rules may apply for people who had to relocate because of Hurricane Katrina, Rita, or Wilma. For details, see Pub. 4492.*

You can check the box on line 5 and use joint return tax rates for 2006 if all of the

Need more information or forms? See page 7.

following apply.

- Your spouse died in 2004 or 2005 and you did not remarry before the end of 2006.
- You have a child or stepchild whom you claim as a dependent. This does not include a foster child.
- This child lived in your home for all of 2006. If the child did not live with you for the required time, see *Exception to time lived with you* below.
- You paid over half the cost of keeping up your home.
- You could have filed a joint return with your spouse the year he or she died, even if you did not actually do so.

If your spouse died in 2006, you cannot file as qualifying widow(er) with dependent child. Instead, see the instructions for line 2 on page 17.

Adopted child. An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

Dependent. To find out if someone is your dependent, see the instructions for line 6c that begin on page 19.

Exception to time lived with you. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, and detention in a juvenile facility, count as time lived in the home. A child is considered to have lived with you for all of 2006 if the child was born or died in 2006 and your home was the child's home for the entire time he or she was alive. Also see *Kidnapped child* on page 21, if applicable.

Keeping up a home. To find out what is included in the cost of keeping up a home, see Pub. 501.

If you used payments you received under Temporary Assistance for Needy Families (TANF) or other public assistance programs to pay part of the cost of keeping up your home, you cannot count them as money you paid. However, you must include them in the total cost of keeping up your home to figure if you paid over half the cost.

Exemptions

You usually can deduct $3,300 on line 42 for each exemption you can take. You may also be able to take an additional exemption amount on line 42 if you provided housing to a person displaced by Hurricane Katrina.

Line 6b

Spouse

Check the box on line 6b if either of the following applies.

1. Your filing status is married filing jointly and your spouse cannot be claimed as a dependent on another person's return.

2. You were married at the end of 2006, your filing status is married filing separately or head of household, and both of the following apply.

a. Your spouse had no income and is not filing a return.

b. Your spouse cannot be claimed as a dependent on another person's return.

If your filing status is head of household and you check the box on line 6b, enter the name of your spouse on the dotted line next to line 6b. Also, enter your spouse's social security number in the space provided at the top of your return.

Need more information or forms? See page 7.

Line 6c—Dependents

Dependents and Qualifying Child for Child Tax Credit

Follow the steps below to find out if a person qualifies as your dependent, qualifies you to take the child tax credit, or both. If you have more than four dependents, attach a statement to your return with the required information.

TIP *Special rules may apply for people who had to relocate because of Hurricane Katrina, Rita, or Wilma. For details, see Pub. 4492.*

Step 1 Do You Have a Qualifying Child?

A qualifying child is a child who is your...

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)

AND

was ...

Under age 19 at the end of 2006

or

Under age 24 at the end of 2006 and a student (see page 21)

or

Any age and permanently and totally disabled (see page 21)

AND

who...

Did not provide over half of his or her own support for 2006 (see Pub. 501)

AND

who...

Lived with you for more than half of 2006. If the child did not live with you for the required time, see *Exception to time lived with you* on page 21.

CAUTION *If the child meets the conditions to be a qualifying child of any other person (other than your spouse if filing jointly) for 2006, see* Qualifying child of more than one person *on page 21.*

1. Do you have a child who meets the conditions to be your qualifying child?

☐ **Yes.** Go to Step 2. ☐ **No.** Go to Step 4 on page 20.

Step 2 Is Your Qualifying Child Your Dependent?

1. Was the child a U.S. citizen, U.S. national, U.S. resident alien, or a resident of Canada or Mexico? If the child was adopted, see *Exception to citizen test* on page 21.

☐ **Yes.** Continue ☐ **No.** STOP You cannot claim this child as a dependent. Go to Form 1040, line 7.

2. Was the child married?

☐ **Yes.** See *Married person* on page 21. ☐ **No.** Continue

3. Could you, or your spouse if filing jointly, be claimed as a dependent on someone else's 2006 tax return? See Steps 1, 2, and 4.

☐ **Yes.** You cannot claim any dependents. Go to Step 3. ☐ **No.** You can claim this child as a dependent. Complete Form 1040, line 6c, columns (1) through (3) for this child. Then, go to Step 3.

Step 3 Does Your Qualifying Child Qualify You for the Child Tax Credit?

1. Was the child under age 17 at the end of 2006?

☐ **Yes.** Continue ☐ **No.** STOP This child is not a qualifying child for the child tax credit. Go to Form 1040, line 7.

2. Was the child a U.S. citizen, U.S. national, or U.S. resident alien? If the child was adopted, see *Exception to citizen test* on page 21.

☐ **Yes.** This child is a qualifying child for the child tax credit. If this child is your dependent, check the box on Form 1040, line 6c, column (4). Otherwise, you must complete and attach Form 8901. ☐ **No.** STOP This child is not a qualifying child for the child tax credit. Go to Form 1040, line 7.

Need more information or forms? See page 7.

Step 4 Is Your Qualifying Relative Your Dependent?

A qualifying relative is a person who is your...

Son, daughter, stepchild, foster child, or a descendant of any of them (for example, your grandchild)

or

Brother, sister, or a son or daughter of either of them (for example, your niece or nephew)

or

Father, mother, or an ancestor or sibling of either of them (for example, your grandmother, grandfather, aunt, or uncle)

or

Stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law

or

Any other person (other than your spouse) who lived with you all year as a member of your household if your relationship did not violate local law. If the person did not live with you for the required time, see *Exception to time lived with you* on page 21

AND

who was not...

A qualifying child (see Step 1) of any taxpayer for 2006 (see Pub. 501 if the child lived in Canada or Mexico)

AND

who...

Had gross income of less than $3,300 in 2006. If the person was permanently and totally disabled, see *Exception to gross income test* on page 21

AND

For whom you provided...

Over half of his or her support in 2006. But see the special rule for *Children of divorced or separated parents* that begins on this page, *Multiple support agreements* on page 21, and *Kidnapped child* on page 21.

1. Does any person meet the conditions to be your qualifying relative?

☐ **Yes.** Continue ☐ **No.** STOP Go to Form 1040, line 7.

2. Was your qualifying relative a U.S. citizen, U.S. national, U.S. resident alien, or a resident of Canada or Mexico? If your qualifying relative was adopted, see *Exception to the citizen test* on page 21.

☐ **Yes.** Continue ☐ **No.** STOP You cannot claim this person as a dependent. Go to Form 1040, line 7.

3. Was your qualifying relative married?

☐ **Yes.** See *Married person* on page 21. ☐ **No.** Continue

4. Could you, or your spouse if filing jointly, be claimed as a dependent on someone else's 2006 tax return? See Steps 1, 2, and 4

☐ **Yes.** STOP You cannot claim any dependents. Go to Form 1040, line 7. ☐ **No.** You can claim this person as a dependent. Complete Form 1040, line 6c, columns (1) through (3). Do not check the box on Form 1040, line 6c, column (4)

Definitions and Special Rules

Adopted child. An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

Adoption taxpayer identification numbers (ATINs). If you have a dependent who was placed with you for legal adoption and you do not know his or her SSN, you must get an ATIN for the dependent from the IRS. See Form W-7A for details.

Children of divorced or separated parents. A child will be treated as being the qualifying child or qualifying relative of his or her noncustodial parent (the parent with whom the child lived for the lesser part of 2006) if all of the following conditions apply.

1. The parents are divorced, legally separated, separated under a written separation agreement, or lived apart at all times during the last 6 months of 2006.
2. The child received over half of his or her support for 2006 from the parents (without regard to the rules on *Multiple support agreements* on page 21). Support of a child received from a parent's spouse is treated as provided by the parent.
3. The child is in custody of one or both of the parents for more than half of 2006.
4. Either of the following applies.

a. The custodial parent signs Form 8332 or a substantially similar statement that he or she will not claim the child as a dependent for 2006, and the noncustodial parent attaches the form or statement to his or her return. If the divorce decree or separation agreement went into effect after 1984, the noncustodial parent can attach certain pages from the decree or agreement instead of Form 8332. See *Post-1984 decree or agreement* on page 21.

b. A pre-1985 decree of divorce or separate maintenance or written separation agreement between the parents provides that the noncustodial parent can claim the child as a dependent, and the noncustodial parent provides at least $600 for support of the child during 2006.

Need more information or forms? See page 7.

If conditions (1) through (4) apply, only the noncustodial parent can claim the child for purposes of the dependency exemption (line 6c) and the child tax credits (lines 53 and 68). However, this special rule does not apply to head of household filing status, the credit for child and dependent care expenses, the exclusion for dependent care benefits, or the earned income credit. See Pub. 501 for details.

Post-1984 decree or agreement. The decree or agreement must state all three of the following.

1. The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support.
2. The other parent will not claim the child as a dependent.
3. The years for which the claim is released.

The noncustodial parent must attach all of the following pages from the decree or agreement.

- Cover page (include the other parent's SSN on that page).
- The pages that include all the information identified in (1) through (3) above.
- Signature page with the other parent's signature and date of agreement.

CAUTION *You must attach the required information even if you filed it with your return in an earlier year.*

Exception to citizen test. If you are a U.S. citizen or U.S. national and your adopted child lived with you all year as a member of your household, that child meets the citizen test.

Exception to gross income test. If your relative (including a person who lived with you all year as a member of your household) is permanently and totally disabled (defined on this page), certain income for services performed at a sheltered workshop may be excluded for this test. For details, see Pub. 501.

Exception to time lived with you. A person is considered to have lived with you for all of 2006 if the person was born or died in 2006 and your home was this person's home for the entire time he or she was alive. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility, count as time lived with you. Also see *Children of divorced or separated parents* that begins on page 20 or *Kidnapped child* below.

Foster child. A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Kidnapped child. If your child is presumed by law enforcement authorities to have been kidnapped by someone who is not a family member, you may be able to take the child into account in determining your eligibility for head of household or qualifying widow(er) filing status, the deduction for dependents, child tax credit, and the earned income credit (EIC). For details, use TeleTax topic 357 (see page 8) or see Pub. 501 (Pub. 596 for the EIC).

Married person. If the person is married, you cannot claim that person as your dependent if he or she files a joint return. But this rule does not apply if the return is filed only as a claim for refund and no tax liability would exist for either spouse if they had filed separate returns. If the person meets this exception, go to Step 2, question 3, on page 19 (for a qualifying child) or Step 4, question 4, on page 20 (for a qualifying relative). If the person does not meet this exception, go to Step 3 on page 19 (for a qualifying child) or Form 1040, line 7 (for a qualifying relative).

Multiple support agreements. If no one person contributed over half of the support of your relative (including a person who lived with you all year as a member of your household) but you and another person(s) provided more than half of your relative's support, special rules may apply that would treat you as having provided over half of the support. For details, see Pub. 501.

Permanently and totally disabled. A person who, at any time in 2006, cannot engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition has lasted or can be expected to last continuously for at least a year or can be expected to lead to death.

Qualifying child of more than one person. If the child is the qualifying child of more than one person, only one person can claim the child as a qualifying child for all of the following tax benefits, unless the special rule for *Children of divorced or separated parents* beginning on page 20 applies.

1. Dependency exemption (line 6c).
2. Child tax credits (lines 53 and 68).
3. Head of household filing status (line 4).
4. Credit for child and dependent care expenses (line 48).
5. Exclusion for dependent care benefits (Form 2441, Part III).
6. Earned income credit (lines 66a and 66b).

No other person can take any of the six tax benefits listed above unless he or she has a different qualifying child. If you and any other person claim the child as a qualifying child, the IRS will apply the following rules.

- If only one of the persons is the child's parent, the child will be treated as the qualifying child of the parent.
- If two of the persons are the child's parents, the child will be treated as the qualifying child of the parent with whom the child lived for the longer period of time in 2006. If the child lived with each parent for the same amount of time, the child will be treated as the qualifying child of the parent who had the higher adjusted gross income (AGI) for 2006.
- If none of the persons are the child's parent, the child will be treated as the qualifying child of the person who had the highest AGI for 2006.

Example. Your daughter meets the conditions to be a qualifying child for both you and your mother. If you and your mother both claim tax benefits based on the child, the rules above apply. Under these rules, you are entitled to treat your daughter as a qualifying child for any of the six tax benefits listed above for which you otherwise qualify. Your mother would not be entitled to take any of the six tax benefits listed above unless she has a different qualifying child.

If you will be claiming the child as a qualifying child, go to Step 2 on page 19. Otherwise, stop; you cannot claim any benefits based on this child. Go to Form 1040, line 7.

Social security number. You must enter each dependent's social security number (SSN). Be sure the name and SSN entered agree with the dependent's social security card. Otherwise, at the time we process your return, we may disallow the exemption claimed for the dependent and reduce or disallow any other tax benefits (such as the child tax credit) based on that dependent. If the name or SSN on the dependent's social security card is not correct, call the Social Security Administration at 1-800-772-1213. For details on how your dependent can get an SSN, see page 16. If your dependent will not have a number by the date your return is due, see *What if You Cannot File on Time?* on page 12.

If your dependent child was born and died in 2006 and you do not have an SSN for the child, you can attach a copy of the child's birth certificate instead and enter "Died" in column (2).

Student. A student is a child who during any part of 5 calendar months of 2006 was enrolled as a full-time student at a school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

Need more information or forms? See page 7.

Income

Foreign-Source Income

You must report unearned income, such as interest, dividends, and pensions, from sources outside the United States unless exempt by law or a tax treaty. You must also report earned income, such as wages and tips, from sources outside the United States.

If you worked abroad, you may be able to exclude part or all of your earned income. For details, see Pub. 54 and Form 2555 or 2555-EZ.

Foreign retirement plans. If you were a beneficiary of a foreign retirement plan, you may have to report the undistributed income earned in your plan. However, if you were the beneficiary of a Canadian registered retirement plan, see Form 8891 to find out if you can elect to defer tax on the undistributed income.

Report distributions from foreign pension plans on lines 16a and 16b.

Chapter 11 Bankruptcy Cases

If you are a debtor in a chapter 11 bankruptcy case that was filed on or after October 17, 2005, income taxable to the bankruptcy estate and reported on the estate's income tax return includes:

- Earnings from services you performed after the beginning of the case (both wages and self-employment income), and
- Income from property described in section 541 of title 11 of the U.S. Code that you either owned when the case began or that you acquired after the case began and before the case was closed, dismissed, or converted to a case under a different chapter.

Because this income is taxable to the estate, do not include this income on your own individual income tax return. The only exception is for purposes of figuring your self-employment tax. For that purpose, you must take into account all your self-employment income for the year from services performed both before and after the beginning of the case. Also, you (or the trustee, if one is appointed) must allocate between you and the bankruptcy estate the wages, salary, or other compensation and withheld income tax reported to you on Form W-2. A similar allocation is required for income and withheld income tax reported to you on Forms 1099. You must also attach a statement to your tax return that indicates you filed a chapter 11 case and that explains how income and withheld income tax reported to you on Forms W-2 and 1099 is allocated between you and the estate. For more details, including acceptable allocation methods, see Notice 2006-83, 2006-40 I.R.B. 596, available at *www.irs.gov/irb/2006-40_IRB/ar12.html*.

Community Property States

Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. If you and your spouse lived in a community property state, you must usually follow state law to determine what is community income and what is separate income. For details, see Pub. 555.

A registered domestic partner in California must report all wages, salaries, and other compensation received for his or her personal services on his or her own return. Therefore, a registered domestic partner cannot report half the combined income earned by the individual and his or her domestic partner as a married person filing separately does in California.

Rounding Off to Whole Dollars

You can round off cents to whole dollars on your return and schedules. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, $1.39 becomes $1 and $2.50 becomes $3.

If you have to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Line 7

Wages, Salaries, Tips, etc.

Enter the total of your wages, salaries, tips, etc. If a joint return, also include your spouse's income. For most people, the amount to enter on this line should be shown in box 1 of their Form(s) W-2. But the following types of income must also be included in the total on line 7.

- Wages received as a household employee for which you did not receive a Form W-2 because your employer paid you less than $1,500 in 2006. Also, enter "HSH" and the amount not reported on Form W-2 on the dotted line next to line 7.
- Tip income you did not report to your employer. Also include allocated tips shown on your Form(s) W-2 unless you can prove that you received less. Allocated tips should be shown in box 8 of your Form(s) W-2. They are not included as income in box 1. See Pub. 531 for more details.

CAUTION *You may owe social security and Medicare tax on unreported or allocated tips. See the instructions for line 59 on page 44.*

- Dependent care benefits, which should be shown in box 10 of your Form(s) W-2. But first complete Form 2441 to see if you can exclude part or all of the benefits.
- Employer-provided adoption benefits, which should be shown in box 12 of your Form(s) W-2 with code T. But see the Instructions for Form 8839 to find out if you can exclude part or all of the benefits. You may also be able to exclude amounts if you adopted a child with special needs and the adoption became final in 2006.
- Scholarship and fellowship grants not reported on Form W-2. Also, enter "SCH" and the amount on the dotted line next to line 7. However, if you were a degree candidate, include on line 7 only the amounts you used for expenses other than tuition and course-related expenses. For example, amounts used for room, board, and travel must be reported on line 7.
- Excess salary deferrals. The amount deferred should be shown in box 12 of your Form W-2, and the "Retirement plan" box in box 13 should be checked. If the total amount you (or your spouse if filing jointly) deferred for 2006 under all plans was more than $15,000 (excluding catch-up contributions as explained below), include the excess on line 7. This limit is (a) $10,000 if you only have SIMPLE plans, or (b) $18,000 for section 403(b) plans if you qualify for the 15-year rule in Pub. 571. Although designated Roth contributions are subject to this limit, do not include the excess attributable to such contributions on line 7. They are already included as income in box 1 of your Form W-2.

 A higher limit may apply to participants in section 457(b) deferred compensation plans for the 3 years before retirement age. Contact your plan administrator for more information.

 If you were age 50 or older at the end of 2006, your employer may have allowed an additional deferral (catch-up contributions) of up to $5,000 ($2,500 for SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals.

CAUTION *You cannot deduct the amount deferred. It is not included as income in box 1 of your Form W-2.*

- Disability pensions shown on Form 1099-R if you have not reached the minimum retirement age set by your employer. Disability pensions received after you reach that age and other payments shown on Form 1099-R (other than payments from an IRA*) are reported on lines 16a and 16b. Payments from an IRA are reported on lines 15a and 15b.
- Corrective distributions from a retirement plan shown on Form 1099-R of ex-

Need more information or forms? See page 7.

cess salary deferrals and excess contributions (plus earnings). But do not include distributions from an IRA* on line 7. Instead, report distributions from an IRA on lines 15a and 15b.

** This includes a Roth, SEP, or SIMPLE IRA.*

Were You a Statutory Employee?

If you were, the "Statutory employee" box in box 13 of your Form W-2 should be checked. Statutory employees include full-time life insurance salespeople, certain agent or commission drivers and traveling salespeople, and certain homeworkers. If you have related business expenses to deduct, report the amount shown in box 1 of your Form W-2 on Schedule C or C-EZ along with your expenses.

Missing or Incorrect Form W-2?

Your employer is required to provide or send Form W-2 to you no later than January 31, 2007. If you do not receive it by early February, use TeleTax topic 154 (see page 8) to find out what to do. Even if you do not get a Form W-2, you must still report your earnings on line 7. If you lose your Form W-2 or it is incorrect, ask your employer for a new one.

Line 8a

Taxable Interest

Each payer should send you a Form 1099-INT or Form 1099-OID. Enter your total taxable interest income on line 8a. But you must fill in and attach Schedule B if the total is over $1,500 or any of the other conditions listed at the beginning of the Schedule B instructions (see page B-1) apply to you.

Interest credited in 2006 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 2006 income. For details, see Pub. 550.

TIP *If you get a 2006 Form 1099-INT for U.S. savings bond interest that includes amounts you reported before 2006, see Pub. 550.*

Line 8b

Tax-Exempt Interest

If you received any tax-exempt interest, such as from municipal bonds, each payer should send you a Form 1099-INT. Your tax-exempt interest, plus any exempt-interest dividends from a mutual fund or other regulated investment company, should be included in box 8 of Form 1099-INT. Enter the total on line 8b. Do not include interest earned on your IRA or Coverdell education savings account.

Line 9a

Ordinary Dividends

Each payer should send you a Form 1099-DIV. Enter your total ordinary dividends on line 9a. This amount should be shown in box 1a of Form(s) 1099-DIV.

You must fill in and attach Schedule B if the total is over $1,500 or you received, as a nominee, ordinary dividends that actually belong to someone else.

Nondividend Distributions

Some distributions are a return of your cost (or other basis). They will not be taxed until you recover your cost (or other basis). You must reduce your cost (or other basis) by these distributions. After you get back all of your cost (or other basis), you must report these distributions as capital gains on Schedule D. For details, see Pub. 550.

TIP *Dividends on insurance policies are a partial return of the premiums you paid. Do not report them as dividends. Include them in income on line 21 only if they exceed the total of all net premiums you paid for the contract.*

Line 9b

Qualified Dividends

Enter your total qualified dividends on line 9b. Qualified dividends are eligible for a lower tax rate than other ordinary income. Generally, these dividends are shown in box 1b of Form(s) 1099-DIV. See Pub. 550 for the definition of qualified dividends if you received dividends not reported on Form 1099-DIV.

Exception. Some dividends may be reported as qualified dividends in box 1b of Form 1099-DIV but are not qualified dividends. These include:

- Dividends you received as a nominee. See the Instructions for Schedule B.
- Dividends you received on any share of stock that you held for less than 61 days during the 121-day period that began 60 days before the ex-dividend date. The ex-dividend date is the first date following the declaration of a dividend on which the purchaser of a stock is not entitled to receive the next dividend payment. When counting the number of days you held the stock, include the day you disposed of the stock but not the day you acquired it. See the examples below. Also, when counting the number of days you held the stock, you cannot count certain days during which your risk of loss was diminished. See Pub. 550 for more details.
- Dividends attributable to periods totaling more than 366 days that you received on any share of preferred stock held for less than 91 days during the 181-day period that began 90 days before the ex-dividend date. When counting the number of days you held the stock, you cannot count certain days during which your risk of loss was diminished. See Pub. 550 for more details. Preferred dividends attributable to periods totaling less than 367 days are subject to the 61-day holding period rule above.
- Dividends on any share of stock to the extent that you are under an obligation (including a short sale) to make related payments with respect to positions in substantially similar or related property.
- Payments in lieu of dividends, but only if you know or have reason to know that the payments are not qualified dividends.

Example 1. You bought 5,000 shares of XYZ Corp. common stock on June 29, 2006. XYZ Corp. paid a cash dividend of 10 cents per share. The ex-dividend date was July 7, 2006. Your Form 1099-DIV from XYZ Corp. shows $500 in box 1a (ordinary dividends) and in box 1b (qualified dividends). However, you sold the 5,000 shares on August 2, 2006. You held your shares of XYZ Corp. for only 34 days of the 121-day period (from June 30, 2006, through August 2, 2006). The 121-day period began on May 8, 2006 (60 days before the ex-dividend date), and ended on September 5, 2006. You have no qualified dividends from XYZ Corp. because you held the XYZ stock for less than 61 days.

Example 2. Assume the same facts as in Example 1 except that you bought the stock on July 6, 2006 (the day before the ex-dividend date), and you sold the stock on September 7, 2006. You held the stock for 63 days (from July 7, 2006, through September 7, 2006). The $500 of qualified dividends shown in box 1b of Form 1099-DIV are all qualified dividends because you held the stock for 61 days of the 121-day period (from July 7, 2006, through September 5, 2006).

Example 3. You bought 10,000 shares of ABC Mutual Fund common stock on June 29, 2006. ABC Mutual Fund paid a cash dividend of 10 cents a share. The ex-dividend date was July 7, 2006. The ABC Mutual Fund advises you that the portion of the dividend eligible to be treated as qualified dividends equals 2 cents per share. Your Form 1099-DIV from ABC Mutual Fund shows total ordinary dividends of $1,000 and qualified dividends of $200. However, you sold the 10,000 shares on August 2, 2006. You have no qualified dividends from ABC Mutual Fund because you held the ABC Mutual Fund stock for less than 61 days.

TIP *Be sure you use the Qualified Dividends and Capital Gain Tax Worksheet or the Schedule D Tax Worksheet, whichever applies, to figure your tax. Your tax may be less if you use the worksheet that applies. See the instructions for line 44 that begin on page 36 for details.*

Line 10

Taxable Refunds, Credits, or Offsets of State and Local Income Taxes

TIP *None of your refund is taxable if, in the year you paid the tax, you either (a) did not itemize deductions, or (b) elected to deduct state and local general sales taxes instead of state and local income taxes.*

If you received a refund, credit, or offset of state or local income taxes in 2006, you may receive a Form 1099-G. If you chose to apply part or all of the refund to your 2006 estimated state or local income tax, the amount applied is treated as received in 2006. If the refund was for a tax you paid in 2005 and you deducted state and local income taxes on line 5 of your 2005 Schedule A, use the worksheet below to see if any of your refund is taxable.

Exception. See *Itemized Deduction Recoveries* in Pub. 525 instead of using the worksheet below if any of the following applies.

1. You received a refund in 2006 that is for a tax year other than 2005.
2. You received a refund other than an income tax refund, such as a general sales tax or real property tax refund, in 2006 of an amount deducted or credit claimed in an earlier year.
3. The amount on your 2005 Form 1040, line 42, was more than the amount on your 2005 Form 1040, line 41.
4. Your 2005 state and local income tax refund is more than your 2005 state and local income tax deduction minus the amount you could have deducted as your 2005 state and local general sales taxes.
5. You made your last payment of 2005 estimated state or local income tax in 2006.
6. You owed alternative minimum tax in 2005.
7. You could not deduct the full amount of credits you were entitled to in 2005 because the total credits exceeded the amount shown on your 2005 Form 1040, line 46.
8. You could be claimed as a dependent by someone else in 2005.
9. You had to use the Itemized Deductions Worksheet in the 2005 Instructions for Schedules A & B because your 2005 adjusted gross income was over $145,950 ($72,975 if married filing separately) and both of the following apply.

a. You could not deduct all of the amount on the 2005 Itemized Deductions Worksheet, line 1.

b. The amount on line 8 of that 2005 worksheet would be more than the amount on line 4 of that worksheet if the amount on line 4 were reduced by 80% of the refund you received in 2006.

State and Local Income Tax Refund Worksheet—Line 10

Keep for Your Records

Before you begin: ✓ Be sure you have read the **Exception** above to see if you can use this worksheet instead of Pub. 525 to figure if any of your refund is taxable.

1. Enter the income tax refund from **Form(s) 1099-G** (or similar statement). But **do not** enter more than the amount of your state and local income taxes shown on your 2005 Schedule A, line 5 1. _____
2. Enter your total allowable itemized deductions from your 2005 Schedule A, line 28 . 2. _____

Note. If the filing status on your 2005 Form 1040 was married filing separately and your spouse itemized deductions in 2005, skip lines 3, 4, and 5, and enter the amount from line 2 on line 6.

3. Enter the amount shown below for the filing status claimed on your **2005** Form 1040.
 - Single or married filing separately— $5,000
 - Married filing jointly or qualifying widow(er)— $10,000
 - Head of household— $7,300

 . . 3. _____
4. Did you fill in line 39a on your 2005 Form 1040?
 - ☐ **No.** Enter -0-.
 - ☐ **Yes.** Multiply the number in the box on line 39a of your 2005 Form 1040 by $1,000 ($1,250 if your 2005 filing status was single or head of household).

 4. _____
5. Add lines 3 and 4 5. _____
6. Is the amount on line 5 less than the amount on line 2?
 - ☐ **No.** STOP None of your refund is taxable.
 - ☐ **Yes.** Subtract line 5 from line 2 6. _____
7. **Taxable part of your refund.** Enter the **smaller** of line 1 or line 6 here and on Form 1040, line 10 . . 7. _____

Line 11

Alimony Received

Enter amounts received as alimony or separate maintenance. You must let the person who made the payments know your social security number. If you do not, you may have to pay a $50 penalty. For more details, use TeleTax topic 406 (see page 8) or see Pub. 504.

Line 12

Business Income or (Loss)

If you operated a business or practiced your profession as a sole proprietor, report your income and expenses on Schedule C or C-EZ.

Line 13

Capital Gain or (Loss)

If you had a capital gain or loss, including any capital gain distributions or a capital loss carryover from 2005, you must complete and attach Schedule D.

Exception. You do not have to file Schedule D if both of the following apply.

- The only amounts you have to report on Schedule D are capital gain distributions from Form(s) 1099-DIV, box 2a, or substitute statements.
- None of the Form(s) 1099-DIV or substitute statements have an amount in box 2b (unrecaptured section 1250 gain), box 2c (section 1202 gain), or box 2d (collectibles (28%) gain).

If both of the above apply, enter your total capital gain distributions (from box 2a of Form(s) 1099-DIV) on line 13 and check the box on that line. If you received capital gain distributions as a nominee (that is, they were paid to you but actually belong to someone else), report on line 13 only the amount that belongs to you. Attach a statement showing the full amount you received and the amount you received as a nominee. See the instructions for Schedule B for filing requirements for Forms 1099-DIV and 1096.

TIP *If you do not have to file Schedule D, use the Qualified Dividends and Capital Gain Tax Worksheet on page 38 to figure your tax. Your tax is usually less if you use this worksheet.*

Line 14

Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the Instructions for Form 4797.

Lines 15a and 15b

IRA Distributions

TIP *Special rules may apply if you received a distribution from your individual retirement arrangement (IRA), and your main home was in the Hurricane Katrina, Rita, or Wilma disaster areas. See Form 8915 and its instructions for details.*

You should receive a Form 1099-R showing the amount of any distribution from your IRA. Unless otherwise noted in the line 15a and 15b instructions, an IRA includes a traditional IRA, Roth IRA, simplified employee pension (SEP) IRA, and a savings incentive match plan for employees (SIMPLE) IRA. Except as provided below, leave line 15a blank and enter the total distribution on line 15b.

Exception 1. Enter the total distribution on line 15a if you rolled over part or all of the distribution from one:

- IRA to another IRA of the same type (for example, from one traditional IRA to another traditional IRA), or
- SEP or SIMPLE IRA to a traditional IRA.

Also, enter "Rollover" next to line 15b. If the total distribution was rolled over in a qualified rollover, enter -0- on line 15b. If the total distribution was not rolled over in a qualified rollover, enter the part not rolled over on line 15b unless *Exception 2* applies to the part not rolled over. Generally, a qualified rollover must be made within 60 days after the day you received the distribution. For more details on rollovers, see Pub. 590.

If you rolled over the distribution into a qualified plan other than an IRA or you made the rollover in 2007, attach a statement explaining what you did.

Exception 2. If any of the following apply, enter the total distribution on line 15a and see Form 8606 and its instructions to figure the amount to enter on line 15b.

1. You received a distribution from an IRA (other than a Roth IRA) and you made nondeductible contributions to any of your traditional or SEP IRAs for 2006 or an earlier year. If you made nondeductible contributions to these IRAs for 2006, also see Pub. 590.
2. You received a distribution from a Roth IRA. But if either (a) or (b) below applies, enter -0- on line 15b; you do not have to see Form 8606 or its instructions.

a. Distribution code T is shown in box 7 of Form 1099-R and you made a contribution (including a conversion) to a Roth IRA for 2001 or an earlier year.

b. Distribution code Q is shown in box 7 of Form 1099-R.

3. You converted part or all of a traditional, SEP, or SIMPLE IRA to a Roth IRA in 2006.
4. You had a 2005 or 2006 IRA contribution returned to you, with the related earnings or less any loss, by the due date (including extensions) of your tax return for that year.
5. You made excess contributions to your IRA for an earlier year and had them returned to you in 2006.
6. You recharacterized part or all of a contribution to a Roth IRA as a traditional IRA contribution, or vice versa.

Exception 3. If the distribution is a qualified charitable distribution (QCD), enter the total distribution on line 15a. If the total amount distributed is a QCD, enter -0- on line 15b. If only part of the distribution is a QCD, enter the part that is not a QCD on line 15b unless *Exception 2* applies to that part. Enter "QCD" next to line 15b.

A QCD is a distribution made directly by the trustee of your IRA (other than a SEP or SIMPLE IRA) to an organization eligible to receive tax-deductible contributions (with certain exceptions). You must have been at least age 70½ when the distribution was made. Your total QCDs for the year cannot be more than $100,000. (On a joint return, your spouse can also have a QCD of up to $100,000.) The amount of the QCD is limited to the amount that would otherwise be included in your income. If your IRA includes nondeductible contributions, the distribution is first considered to be paid out of otherwise taxable income. See Pub. 590 for details.

CAUTION *You cannot claim a charitable contribution deduction for any QCD not included in your income.*

Note. If you (or your spouse if filing jointly) received more than one distribution, figure the taxable amount of each distribution and enter the total of the taxable amounts on line 15b. Enter the total amount of those distributions on line 15a.

CAUTION *You may have to pay an additional tax if (a) you received an early distribution from your IRA and the total was not rolled over, or (b) you were born before July 1, 1935, and received less than the minimum required distribution from your traditional, SEP, and SIMPLE IRAs. See the instructions for line 60 on page 44 for details.*

Need more information or forms? See page 7.

Lines 16a and 16b

Pensions and Annuities

TIP *Special rules may apply if you received a distribution from a profit-sharing or retirement plan, and your main home was in the Hurricane Katrina, Rita, or Wilma disaster areas. See Form 8915 and its instructions for details.*

You should receive a Form 1099-R showing the amount of your pension and annuity payments. See page 27 for details on rollovers and lump-sum distributions. Do not include the following payments on lines 16a and 16b. Instead, report them on line 7.

- Disability pensions received before you reach the minimum retirement age set by your employer.
- Corrective distributions (including any earnings) of excess salary deferrals or excess contributions to retirement plans. The plan must advise you of the year(s) the distributions are includible in income.

TIP *Attach Form(s) 1099-R to Form 1040 if any federal income tax was withheld.*

Fully Taxable Pensions and Annuities

If your pension or annuity is fully taxable, enter it on line 16b; do not make an entry on line 16a. Your payments are fully taxable if (a) you did not contribute to the cost (see page 27) of your pension or annuity, or (b) you got your entire cost back tax free before 2006.

Simplified Method Worksheet—Lines 16a and 16b

Keep for Your Records

Before you begin: √ If you are the beneficiary of a deceased employee or former employee who died **before** August 21, 1996, include any death benefit exclusion that you are entitled to (up to $5,000) in the amount entered on line 2 below.

Note. If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 16b. Enter the total pension or annuity payments received in 2006 on Form 1040, line 16a.

1.	Enter the total pension or annuity payments received in 2006. Also, enter this amount on Form 1040, line 16a		1
2.	Enter your cost in the plan at the annuity starting date	2	
	Note. If you completed this worksheet last year, skip line 3 and enter the amount from line 4 of last year's worksheet on line 4 below (even if the amount of your pension or annuity has changed). Otherwise, go to line 3.		
3.	Enter the appropriate number from **Table 1** below. **But** if your annuity starting date was **after** 1997 **and** the payments are for your life and that of your beneficiary, enter the appropriate number from **Table 2** below	3	
4.	Divide line 2 by the number on line 3	4	
5.	Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was **before** 1987, skip lines 6 and 7 and enter this amount on line 8. Otherwise, go to line 6	5	
6.	Enter the amount, if any, recovered tax free in years after 1986	6	
7.	Subtract line 6 from line 2	7	
8.	Enter the **smaller** of line 5 or line 7		8
9.	**Taxable amount.** Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 16b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R		9
10.	Was your annuity starting date before 1987?		
	☐ **Yes.** STOP Leave line 10 blank.		
	☐ **No.** Add lines 6 and 8. This is the **amount you have recovered tax free** through 2006. You will need this number when you fill out this worksheet next year		10

Table 1 for Line 3 Above

IF the age at annuity starting date (see page 27) was . . .	AND your annuity starting date was— **before** November 19, 1996, enter on line 3	**after** November 18, 1996, enter on line 3
55 or under	300	360
56–60	260	310
61–65	240	260
66–70	170	210
71 or older	120	160

Table 2 for Line 3 Above

IF the combined ages at annuity starting date (see page 27) were . . .	THEN enter on line 3 . . .
110 or under	410
111–120	360
121–130	310
131–140	260
141 or older	210

Need more information or forms? See page 7.

Fully taxable pensions and annuities also include military retirement pay shown on Form 1099-R. For details on military disability pensions, see Pub. 525. If you received a Form RRB-1099-R, see Pub. 575 to find out how to report your benefits.

Partially Taxable Pensions and Annuities

Enter the total pension or annuity payments you received in 2006 on line 16a. If your Form 1099-R does not show the taxable amount, you must use the General Rule explained in Pub. 939 to figure the taxable part to enter on line 16b. But if your annuity starting date (defined below) was after July 1, 1986, see *Simplified Method* below to find out if you must use that method to figure the taxable part.

You can ask the IRS to figure the taxable part for you for a $380 fee. For details, see Pub. 939.

If your Form 1099-R shows a taxable amount, you can report that amount on line 16b. But you may be able to report a lower taxable amount by using the General Rule or the Simplified Method.

Annuity Starting Date

Your annuity starting date is the later of the first day of the first period for which you received a payment or the date the plan's obligations became fixed.

Simplified Method

You must use the Simplified Method if either of the following applies.

1. Your annuity starting date (defined above) was after July 1, 1986, and you used this method last year to figure the taxable part.

2. Your annuity starting date was after November 18, 1996, and both of the following apply.

a. The payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity.

b. On your annuity starting date, either you were under age 75 or the number of years of guaranteed payments was fewer than 5. See Pub. 575 for the definition of guaranteed payments.

If you must use the Simplified Method, complete the worksheet on page 26 to figure the taxable part of your pension or annuity. For more details on the Simplified Method, see Pub. 575 or Pub. 721 for U.S. Civil Service retirement benefits.

CAUTION *If you received U.S. Civil Service retirement benefits and you chose the alternative annuity option, see Pub. 721 to figure the taxable part of your annuity. Do not use the worksheet on page 26.*

Age (or Combined Ages) at Annuity Starting Date

If you are the retiree, use your age on the annuity starting date. If you are the survivor of a retiree, use the retiree's age on his or her annuity starting date. But if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, use your combined ages on the annuity starting date.

If you are the beneficiary of an employee who died, see Pub. 575. If there is more than one beneficiary, see Pub. 575 or Pub. 721 to figure each beneficiary's taxable amount.

Cost

Your cost is generally your net investment in the plan as of the annuity starting date. It does not include pre-tax contributions. Your net investment should be shown in box 9b of Form 1099-R for the first year you received payments from the plan.

Rollovers

Generally, a qualified rollover is a tax-free distribution of cash or other assets from one retirement plan that is contributed to another plan within 60 days of receiving the distribution. Use lines 16a and 16b to report a qualified rollover, including a direct rollover, from one qualified employer's plan to another or to an IRA or SEP.

Enter on line 16a the total distribution before income tax or other deductions were withheld. This amount should be shown in box 1 of Form 1099-R. From the total on line 16a, subtract any contributions (usually shown in box 5) that were taxable to you when made. From that result, subtract the amount of the qualified rollover. Enter the remaining amount, even if zero, on line 16b. Also, enter "Rollover" next to line 16b.

Special rules apply to partial rollovers of property. For more details on rollovers, including distributions under qualified domestic relations orders, see Pub. 575.

Lump-Sum Distributions

If you received a lump-sum distribution from a profit-sharing or retirement plan, your Form 1099-R should have the "Total distribution" box in box 2b checked. You may owe an additional tax if you received an early distribution from a qualified retirement plan and the total amount was not rolled over in a qualified rollover. For details, see the instructions for line 60 on page 44.

Enter the total distribution on line 16a and the taxable part on line 16b.

TIP *You may be able to pay less tax on the distribution if you were born before January 2, 1936, or you are the beneficiary of a deceased employee who was born before January 2, 1936. For details, see Form 4972.*

Line 19

Unemployment Compensation

You should receive a Form 1099-G showing the total unemployment compensation paid to you in 2006.

If you received an overpayment of unemployment compensation in 2006 and you repaid any of it in 2006, subtract the amount you repaid from the total amount you received. Enter the result on line 19. Also, enter "Repaid" and the amount you repaid on the dotted line next to line 19. If, in 2006, you repaid unemployment compensation that you included in gross income in an earlier year, you can deduct the amount repaid on Schedule A, line 22. But if you repaid more than $3,000, see *Repayments* in Pub. 525 for details on how to report the repayment.

Lines 20a and 20b

Social Security Benefits

You should receive a Form SSA-1099 showing in box 3 the total social security benefits paid to you. Box 4 will show the amount of any benefits you repaid in 2006. If you received railroad retirement benefits treated as social security, you should receive a Form RRB-1099.

Use the worksheet on page 28 to see if any of your benefits are taxable.

Exception. Do not use the worksheet on page 28 if any of the following applies.

- You made contributions to a traditional IRA for 2006 and you or your spouse were covered by a retirement plan at work or through self-employment. Instead, use the worksheets in Pub. 590 to see if any of your social security benefits are taxable and to figure your IRA deduction.
- You repaid any benefits in 2006 and your total repayments (box 4) were more than your total benefits for 2006 (box 3). None of your benefits are taxable for 2006. Also, you may be able to take an itemized deduction or a credit for part of the excess repayments if they were for benefits you included in gross income in an earlier year. For more details, see Pub. 915.
- You file Form 2555, 2555-EZ, 4563, or 8815, or you exclude employer-provided adoption benefits or income from sources within Puerto Rico. Instead, use the worksheet in Pub. 915.

Social Security Benefits Worksheet—Lines 20a and 20b

Keep for Your Records

Before you begin:
- ✓ Complete Form 1040, lines 21, 23 through 32, and 34 if they apply to you.
- ✓ Figure any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36 on page 34).
- ✓ If you are married filing separately and you lived apart from your spouse for all of 2006, enter "D" to the right of the word "benefits" on line 20a.
- ✓ Be sure you have read the **Exception** on page 27 to see if you can use this worksheet instead of a publication to find out if any of your benefits are taxable.

1.	Enter the total amount from **box 5** of **all** your **Forms SSA-1099** and **Forms RRB-1099.** Also, enter this amount on Form 1040, line 20a	1.	
2.	Enter one-half of line 1	2.	
3.	Enter the total of the amounts from Form 1040, lines 7, 8a, 9a, 10 through 14, 15b, 16b, 17 through 19, and 21	3.	
4.	Enter the amount, if any, from Form 1040, line 8b	4.	
5.	Add lines 2, 3, and 4	5.	
6.	Enter the total of the amounts from Form 1040, lines 23 through 32, line 34, and any write-in adjustments you entered on the dotted line next to line 36	6.	
7.	Is the amount on line 6 less than the amount on line 5? ☐ **No.** STOP None of your social security benefits are taxable. Enter -0- on Form 1040, line 20b. ☐ **Yes.** Subtract line 6 from line 5	7.	
8.	If you are: • Married filing jointly, enter $32,000 • Single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 2006, enter $25,000 • Married filing separately and you lived with your spouse at any time in 2006, skip lines 8 through 15; multiply line 7 by 85% (.85) and enter the result on line 16. Then go to line 17	8.	
9.	Is the amount on line 8 less than the amount on line 7? ☐ **No.** STOP None of your social security benefits are taxable. Enter -0- on Form 1040, line 20b. If you are married filing separately and you **lived apart** from your spouse for all of 2006, be sure you entered "D" to the right of the word "benefits" on line 20a. ☐ **Yes.** Subtract line 8 from line 7	9.	
10.	Enter: $12,000 if married filing jointly; $9,000 if single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 2006	10.	
11.	Subtract line 10 from line 9. If zero or less, enter -0-	11.	
12.	Enter the **smaller** of line 9 or line 10	12.	
13.	Enter one-half of line 12	13.	
14.	Enter the **smaller** of line 2 or line 13	14.	
15.	Multiply line 11 by 85% (.85). If line 11 is zero, enter -0-	15.	
16.	Add lines 14 and 15	16.	
17.	Multiply line 1 by 85% (.85)	17.	
18.	**Taxable social security benefits.** Enter the **smaller** of line 16 or line 17. Also enter this amount on Form 1040, line 20b	18.	

TIP *If any of your benefits are taxable for 2006 and they include a lump-sum benefit payment that was for an earlier year, you may be able to reduce the taxable amount. See Pub. 915 for details.*

Line 21

Other Income

CAUTION *Do not report on this line any income from self-employment or fees received as a notary public. Instead, you must use Schedule C, C-EZ, or F, even if you do not have any business expenses. Also, do not report on line 21 any nonemployee compensation shown on Form 1099-MISC. Instead, see the chart on page 15 to find out where to report that income.*

Use line 21 to report any income not reported elsewhere on your return or other schedules. See the examples below. List the type and amount of income. If necessary, show the required information on an attached statement. For more details, see *Miscellaneous Income* in Pub. 525.

TIP *Do not report any nontaxable amounts on line 21. Nontaxable amounts include child support; money or property that was inherited, willed to you, or received as a gift; or life insurance proceeds received because of a person's death (other than from certain employer-owned life insurance contracts).*

Examples of income to report on line 21 are.

- Taxable distributions from a Coverdell education savings account (ESA) or a qualified tuition program (QTP). Distributions from these accounts may be taxable if (a) they are more than the qualified higher education expenses of the designated beneficiary in 2006, and (b) they were not included in a qualified rollover. See Pub. 970.

CAUTION *You may have to pay an additional tax if you received a taxable distribution from a Coverdell ESA or a QTP. See the Instructions for Form 5329.*

- Taxable distributions from a health savings account (HSA) or an Archer MSA. Distributions from these accounts may be taxable if (a) they are more than the unreimbursed qualified medical expenses of the account beneficiary or account holder in 2006, and (b) they were not included in a qualified rollover. See Pub. 969.

CAUTION *You may have to pay an additional tax if you received a taxable distribution from an HSA or an Archer MSA. See the Instructions for Form 8889 for HSAs or the Instructions for Form 8853 for Archer MSAs.*

- Prizes and awards.
- Gambling winnings, including lotteries, raffles, a lump-sum payment from the sale of a right to receive future lottery payments, etc. For details on gambling losses, see the instructions for Schedule A, line 27, on page A-7.

TIP *Attach Form(s) W-2G to Form 1040 if any federal income tax was withheld.*

- Jury duty pay. Also, see the instructions for line 34 on page 34.
- Alaska Permanent Fund dividends.
- Alternative trade adjustment assistance payments. These payments should be shown in box 5 of Form 1099-G.
- Reimbursements or other amounts received for items deducted in an earlier year, such as medical expenses, real estate taxes, general sales taxes, or home mortgage interest. See *Recoveries* in Pub. 525 for details on how to figure the amount to report.
- Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property. Also, see the instructions for line 36 on page 34.
- Income from an activity not engaged in for profit. See Pub. 535.
- Loss on certain corrective distributions of excess deferrals. See *Retirement Plan Contributions* in Pub. 525.
- Dividends on insurance policies if they exceed the total of all net premiums you paid for the contract.

Adjusted Gross Income

Line 23

Archer MSA Deduction

If you made a contribution to your Archer MSA for 2006, you may be able to claim this deduction. See Form 8853.

Line 24

Certain Business Expenses of Reservists, Performing Artists, and Fee-Basis Government Officials

Include the following deductions on line 24.

- Certain business expenses of National Guard and reserve members who traveled more than 100 miles from home to perform services as a National Guard or reserve member.
- Performing-arts-related expenses as a qualified performing artist.
- Business expenses of fee-basis state or local government officials.

For more details, see Form 2106 or 2106-EZ.

Line 25

Health Savings Account Deduction

If contributions (other than employer contributions) were made to your health savings account for 2006, you may be able to take this deduction. See Form 8889.

Line 26

Moving Expenses

If you moved in connection with your job or business or started a new job, you may be able to take this deduction. But your new workplace must be at least 50 miles farther from your old home than your old home was from your old workplace. If you had no former workplace, your new workplace must be at least 50 miles from your old home. Use TeleTax topic 455 (see page 8) or see Form 3903.

Line 27

One-Half of Self-Employment Tax

If you were self-employed and owe self-employment tax, fill in Schedule SE to figure the amount of your deduction.

Line 28

Self-Employed SEP, SIMPLE, and Qualified Plans

If you were self-employed or a partner, you may be able to take this deduction. See Pub. 560 or, if you were a minister, Pub. 517.

Line 29

Self-Employed Health Insurance Deduction

You may be able to deduct the amount you paid for health insurance for yourself, your spouse, and your dependents if any of the following applies.

- You were self-employed and had a net profit for the year.
- You used one of the optional methods to figure your net earnings from self-employment on Schedule SE.

Need more information or forms? See page 7.

- You received wages in 2006 from an S corporation in which you were a more-than-2% shareholder. Health insurance benefits paid for you may be shown in box 14 of Form W-2.

The insurance plan must be established under your business. But if you were also eligible to participate in any subsidized health plan maintained by your or your spouse's employer for any month or part of a month in 2006, amounts paid for health insurance coverage for that month cannot be used to figure the deduction. For example, if you were eligible to participate in a subsidized health plan maintained by your spouse's employer from September 30 through December 31, you cannot use amounts paid for health insurance coverage for September through December to figure your deduction.

For more details, see Pub. 535.

Note. If, during 2006, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA recipient, or Pension Benefit Guaranty Corporation pension recipient, you must complete Form 8885 before completing the worksheet below. When figuring the amount to enter on line 1 of the worksheet below, do not include:

- Any amounts you included on Form 8885, line 4,
- Any qualified health insurance premiums you paid to "U.S. Treasury-HCTC," or
- Any health coverage tax credit advance payments shown in box 1 of Form 1099-H.

If you qualify to take the deduction, use the worksheet below to figure the amount you can deduct.

Exception. Use Pub. 535 instead of the worksheet below to figure your deduction if any of the following applies.

- You had more than one source of income subject to self-employment tax.
- You file Form 2555 or 2555-EZ.
- You are using amounts paid for qualified long-term care insurance to figure the deduction.

Self-Employed Health Insurance Deduction Worksheet—Line 29

Keep for Your Records

Before you begin:

- ✓ If, during 2006, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA recipient, or Pension Benefit Guaranty Corporation pension recipient, see the **Note** above.
- ✓ Be sure you have read the **Exception** above to see if you can use this worksheet instead of Pub. 535 to figure your deduction.

1.	Enter the total amount paid in 2006 for health insurance coverage established under your business for 2006 for you, your spouse, and your dependents. But do not include amounts for any month you were eligible to participate in an employer-sponsored health plan	1.
2.	Enter your net profit* and any other earned income** from the business under which the insurance plan is established, minus any deductions on Form 1040, lines 27 and 28	2.
3.	**Self-employed health insurance deduction.** Enter the **smaller** of line 1 or line 2 here and on Form 1040, line 29. **Do not** include this amount in figuring any medical expense deduction on Schedule A	3.

* *If you used either optional method to figure your net earnings from self-employment, do not enter your net profit. Instead, enter the amount from Schedule SE, Section B, line 4b.*

** ***Earned income*** *includes net earnings and gains from the sale, transfer, or licensing of property you created. It does not include capital gain income. If you were a more-than-2% shareholder in the S corporation under which the insurance plan is established, earned income is your wages from that corporation.*

Line 30

Penalty on Early Withdrawal of Savings

The Form 1099-INT or Form 1099-OID you received will show the amount of any penalty you were charged.

Lines 31a and 31b

Alimony Paid

If you made payments to or for your spouse or former spouse under a divorce or separation instrument, you may be able to take this deduction. Use TeleTax topic 452 (see page 8) or see Pub. 504.

Need more information or forms? See page 7.

Line 32

IRA Deduction

TIP *If you made any nondeductible contributions to a traditional individual retirement arrangement (IRA) for 2006, you must report them on Form 8606.*

If you made contributions to a traditional IRA for 2006, you may be able to take an IRA deduction. But you, or your spouse if filing a joint return, must have had earned income to do so. For IRA purposes, earned income includes alimony and separate maintenance payments reported on line 11. If you were a member of the U.S. Armed Forces, earned income includes any nontaxable combat pay you received. If you were self-employed, earned income is generally your net earnings from self-employment if your personal services were a material income-producing factor. For more details, see Pub. 590. A statement should be sent to you by May 31, 2007, that shows all contributions to your traditional IRA for 2006.

Use the worksheet on page 32 to figure the amount, if any, of your IRA deduction. But read the following list before you fill in the worksheet.

1. If you were age 70½ or older at the end of 2006, you cannot deduct any contributions made to your traditional IRA for 2006 or treat them as nondeductible contributions.

2. You cannot deduct contributions to a Roth IRA. But you may be able to take the retirement savings contributions credit. See the instructions for line 51 on page 41.

CAUTION *If you made contributions to both a traditional IRA and a Roth IRA for 2006, do not use the worksheet on page 32. Instead, see Pub. 590 to figure the amount, if any, of your IRA deduction.*

3. You cannot deduct elective deferrals to a 401(k) plan, section 457 plan, SIMPLE plan, or the federal Thrift Savings Plan. These amounts are not included as income in box 1 of your Form W-2. But you may be able to take the retirement savings contributions credit. See the instructions for line 51 on page 41.

4. If you made contributions to your IRA in 2006 that you deducted for 2005, do not include them in the worksheet.

5. If you received income from a nonqualified deferred compensation plan or nongovernmental section 457 plan that is included in box 1 of your Form W-2, or in box 7 of Form 1099-MISC, do not include that income on line 8 of the worksheet. The income should be shown in (a) box 11 of your Form W-2, (b) box 12 of your Form W-2 with code Z, or (c) box 15b of Form 1099-MISC. If it is not, contact your employer or the payer for the amount of the income.

6. You must file a joint return to deduct contributions to your spouse's IRA. Enter the total IRA deduction for you and your spouse on line 32.

7. Do not include qualified rollover contributions in figuring your deduction. Instead, see the instructions for lines 15a and 15b on page 25.

8. Do not include trustees' fees that were billed separately and paid by you for your IRA. These fees can be deducted only as an itemized deduction on Schedule A.

9. If the total of your IRA deduction on line 32 plus any nondeductible contribution to your traditional IRAs shown on Form 8606 is less than your total traditional IRA contributions for 2006, see Pub. 590 for special rules.

TIP *By April 1 of the year after the year in which you turn age 70½, you must start taking minimum required distributions from your traditional IRA. If you do not, you may have to pay a 50% additional tax on the amount that should have been distributed. For details, including how to figure the minimum required distribution, see Pub. 590.*

Were You Covered by a Retirement Plan?

If you were covered by a retirement plan (qualified pension, profit-sharing (including 401(k)), annuity, SEP, SIMPLE, etc.) at work or through self-employment, your IRA deduction may be reduced or eliminated. But you can still make contributions to an IRA even if you cannot deduct them. In any case, the income earned on your IRA contributions is not taxed until it is paid to you.

The "Retirement plan" box in box 13 of your Form W-2 should be checked if you were covered by a plan at work even if you were not vested in the plan. You are also covered by a plan if you were self-employed and had a SEP, SIMPLE, or qualified retirement plan.

If you were covered by a retirement plan and you file Form 2555, 2555-EZ, or 8815, or you exclude employer-provided adoption benefits, see Pub. 590 to figure the amount, if any, of your IRA deduction.

Married persons filing separately. If you were not covered by a retirement plan but your spouse was, you are considered covered by a plan unless you lived apart from your spouse for all of 2006.

TIP *You may be able to take the retirement savings contributions credit. See the instructions for line 51 on page 41.*

Need more information or forms? See page 7.

IRA Deduction Worksheet—Line 32

Keep for Your Records

Before you begin: ✓ Be sure you have read the list on page 31.
✓ Figure any amount on Form 1040, line 34, and any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36 on page 34).

			Your IRA	Spouse's IRA
1a.	Were you covered by a retirement plan (see page 31)?	1a.	☐ Yes ☐ No	
b.	If married filing jointly, was your spouse covered by a retirement plan?	1b.		☐ Yes ☐ No
	Next. If you checked "No" on line 1a (and "No" on line 1b if married filing jointly), skip lines 2 through 6, enter $4,000 ($5,000 if age 50 or older at the end of 2006) on line 7a (and 7b if applicable), and go to line 8. Otherwise, go to line 2.			
2.	Enter the amount shown below that applies to you. • Single, head of household, or married filing separately and you lived apart from your spouse for all of 2006, enter $60,000 • Qualifying widow(er), enter $85,000 • Married filing jointly, enter $85,000 in both columns. But if you checked "No" on either line 1a or 1b, enter $160,000 for the person who was not covered by a plan • Married filing separately and you lived with your spouse at any time in 2006, enter $10,000	2a.		2b.
3.	Enter the amount from Form 1040, line 22	3.		
4.	Enter the total of the amounts from Form 1040, lines 23 through 31a, line 34, and any write-in adjustments you entered on the dotted line next to line 36	4.		
5.	Subtract line 4 from line 3. If married filing jointly, enter the result in both columns	5a.		5b.
6.	Is the amount on line 5 less than the amount on line 2? ☐ No. STOP None of your IRA contributions are deductible. For details on nondeductible IRA contributions, see Form 8606. ☐ Yes. Subtract line 5 from line 2 in each column. **If the result is $10,000 or more, enter $4,000 ($5,000 if age 50 or older at the end of 2006) on line 7 for that column and go to line 8.** Otherwise, go to line 7.	6a.		6b.
7.	Multiply lines 6a and 6b by 40% (.40) (or by 50% (.50) in the column for the IRA of a person who is age 50 or older at the end of 2006). If the result is not a multiple of $10, increase it to the next multiple of $10 (for example, increase $490.30 to $500). If the result is $200 or more, enter the result. But if it is less than $200, enter $200	7a.		7b.
8.	Enter the total of your (and your spouse's if filing jointly) • Wages, salaries, tips, etc. Generally, this is the amount reported in box 1 of Form W-2. See page 31 for exceptions • Alimony and separate maintenance payments reported on Form 1040, line 11 • Nontaxable combat pay. This amount should be reported in box 12 of Form W-2 with code Q	8.		
9.	Enter the earned income you (and your spouse if filing jointly) received as a self-employed individual or a partner. Generally, this is your (and your spouse's if filing jointly) net earnings from self-employment if your personal services were a material income-producing factor, minus any deductions on Form 1040, lines 27 and 28. If zero or less, enter -0-. For more details, see Pub. 590	9.		
10.	Add lines 8 and 9	10.		
	CAUTION *If married filing jointly and line 10 is less than $8,000 ($9,000 if one spouse is age 50 or older at the end of 2006, $10,000 if both spouses are age 50 or older at the end of 2006), **stop here** and see Pub. 590 to figure your IRA deduction.*			
11.	Enter traditional IRA contributions made, or that will be made by April 16, 2007, for 2006 to your IRA on line 11a and to your spouse's IRA on line 11b	11a.		11b.
12.	On line 12a, enter the **smallest** of line 7a, 10, or 11a. On line 12b, enter the **smallest** of line 7b, 10, or 11b. This is the most you can deduct. Add the amounts on lines 12a and 12b and enter the total on Form 1040, line 32. Or, if you want, you can deduct a smaller amount and treat the rest as a nondeductible contribution (see Form 8606)	12a.		12b.

Need more information or forms? See page 7.

Line 33

Student Loan Interest Deduction

You can take this deduction only if all of the following apply.

- You paid interest in 2006 on a qualified student loan (see below).
- Your filing status is any status except married filing separately.
- Your modified adjusted gross income (AGI) is less than: $65,000 if single, head of household, or qualifying widow(er); $135,000 if married filing jointly. Use lines 2 through 4 of the worksheet below to figure your modified AGI.
- You, or your spouse if filing jointly, are not claimed as a dependent on someone's (such as your parent's) 2006 tax return.

Use the worksheet below to figure your student loan interest deduction.

Exception. Use Pub. 970 instead of the worksheet below to figure your student loan interest deduction if you file Form 2555, 2555-EZ, or 4563, or you exclude income from sources within Puerto Rico.

Qualified student loan. A qualified student loan is any loan you took out to pay the qualified higher education expenses for:

1. Yourself and your spouse.
2. Any person who was your dependent when the loan was taken out.
3. Any person you could have claimed as a dependent for the year the loan was taken out except that:

a. The person filed a joint return,

b. The person had gross income that was equal to or more than the exemption amount for that year ($3,300 for 2006), or

c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's return.

The person for whom the expenses were paid must have been an eligible student (see this page). However, a loan is not a qualified student loan if (a) any of the proceeds were used for other purposes, or (b) the loan was from either a related person or a person who borrowed the proceeds under a qualified employer plan or a contract purchased under such a plan. To find out who is a related person, see Pub. 970.

Qualified higher education expenses. Qualified higher education expenses generally include tuition, fees, room and board, and related expenses such as books and supplies. The expenses must be for education in a degree, certificate, or similar program at an eligible educational institution. An eligible educational institution includes most colleges, universities, and certain vocational schools. You must reduce the expenses by the following benefits.

- Employer-provided educational assistance benefits that are not included in box 1 of Form(s) W-2.
- Excludable U.S. series EE and I savings bond interest from Form 8815.
- Nontaxable qualified tuition program earnings.
- Nontaxable earnings from Coverdell education savings accounts.
- Any scholarship, educational assistance allowance, or other payment (but not gifts, inheritances, etc.) excluded from income.

For more details on these expenses, see Pub. 970.

Eligible student. An eligible student is a person who:

- Was enrolled in a degree, certificate, or other program (including a program of study abroad that was approved for credit by the institution at which the student was enrolled) leading to a recognized educational credential at an eligible educational institution, and
- Carried at least half the normal full-time workload for the course of study he or she was pursuing.

Student Loan Interest Deduction Worksheet—Line 33

Keep for Your Records

Before you begin:
- √ Figure any amount on Form 1040, line 34, and any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36 on page 34).
- √ Be sure you have read the **Exception** above to see if you can use this worksheet instead of Pub. 970 to figure your deduction.

1.	Enter the total interest you paid in 2006 on qualified student loans (see above). **Do not** enter more than $2,500	1.
2.	Enter the amount from Form 1040, line 22	2.
3.	Enter the total of the amounts from Form 1040, lines 23 through 32, line 34, and any write-in adjustments you entered on the dotted line next to line 36	3.
4.	Subtract line 3 from line 2	4.
5.	Enter the amount shown below for your filing status • Single, head of household, or qualifying widow(er)—$50,000 • Married filing jointly—$105,000	5.
6.	Is the amount on line 4 more than the amount on line 5? ☐ No. Skip lines 6 and 7, enter -0- on line 8, and go to line 9. ☐ Yes. Subtract line 5 from line 4	6.
7.	Divide line 6 by $15,000 ($30,000 if married filing jointly). Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000	7. .
8.	Multiply line 1 by line 7	8.
9.	**Student loan interest deduction.** Subtract line 8 from line 1. Enter the result here and on Form 1040, line 33. **Do not** include this amount in figuring any other deduction on your return (such as on Schedule A, C, E, etc.)	9.

Need more information or forms? See page 7.

Line 34

Jury Duty Pay You Gave to Your Employer

If you gave your jury duty pay to your employer because your employer continued to pay your salary while you served on the jury, you can deduct the amount turned over to your employer.

Line 35

Domestic Production Activities Deduction

You may be able to deduct up to 3% of your qualified production activities income from the following activities.

1. Construction of real property performed in the United States.

2. Engineering or architectural services performed in the United States for construction of real property in the United States.

3. Any lease, rental, license, sale, exchange, or other disposition of:

a. Tangible personal property, computer software, and sound recordings that you manufactured, produced, grew, or extracted in whole or in significant part within the United States,

b. Any qualified film you produced,

c. Electricity, natural gas, or potable water you produced in the United States.

The deduction does not apply to income derived from:

- The sale of food and beverages you prepared at a retail establishment;
- Property you leased, licensed, or rented for use by any related person;
- The transmission or distribution of electricity, natural gas, or potable water; or
- The lease, rental, license, sale, exchange, or other disposition of land.

For details, see Form 8903 and its instructions.

Line 36

Include in the total on line 36 any of the following write-in adjustments. To find out if you can take the deduction, see the form or publication indicated. On the dotted line next to line 36, enter the amount of your deduction and identify it as indicated.

- Deductible expenses related to income reported on line 21 from the rental of personal property engaged in for profit. Identify as "PPR."
- Reforestation amortization and expenses (see Pub. 535). Identify as "RFST."
- Repayment of supplemental unemployment benefits under the Trade Act of 1974 (see Pub. 525). Identify as "Sub-Pay TRA."
- Contributions to section 501(c)(18)(D) pension plans (see Pub. 525). Identify as "501(c)(18)(D)."
- Contributions by certain chaplains to section 403(b) plans (see Pub. 517). Identify as "403(b)."
- Attorney fees and court costs for actions settled or decided after October 22, 2004, involving certain unlawful discrimination claims, but only to the extent of gross income from such actions (see Pub. 525). Identify as "UDC."

Line 37

If line 37 is less than zero, you may have a net operating loss that you can carry to another tax year. See the Instructions for Form 1045 for details.

Tax and Credits

Line 39a

If you were born before January 2, 1942, or were blind at the end of 2006, check the appropriate box(es) on line 39a. If you were married and checked the box on Form 1040, line 6b, and your spouse was born before January 2, 1942, or was blind at the end of 2006, also check the appropriate box(es) for your spouse. Be sure to enter the total number of boxes checked.

Blindness

If you were partially blind as of December 31, 2006, you must get a statement certified by your eye doctor or registered optometrist that:

- You cannot see better than 20/200 in your better eye with glasses or contact lenses, or
- Your field of vision is 20 degrees or less.

If your eye condition is not likely to improve beyond the conditions listed above, you can get a statement certified by your eye doctor or registered optometrist to this effect instead.

You must keep the statement for your records.

Line 39b

If your spouse itemizes deductions on a separate return or if you were a dual-status alien, check the box on line 39b. But if you were a dual-status alien and you file a joint return with your spouse who was a U.S. citizen or resident alien at the end of 2006 and you and your spouse agree to be taxed on your combined worldwide income, do not check the box.

Line 40

Itemized Deductions or Standard Deduction

In most cases, your federal income tax will be less if you take the larger of your itemized deductions or standard deduction.

CAUTION *If you checked the box on line 39b, your standard deduction is zero.*

Itemized Deductions

To figure your itemized deductions, fill in Schedule A.

Standard Deduction

Most people can find their standard deduction by looking at the amounts listed under "All others" to the left of Form 1040, line 40. But if you, or your spouse if filing jointly, can be claimed as a dependent on someone's 2006 return or you checked any box on line 39a, use the worksheet or the chart on page 35, whichever applies, to figure your standard deduction. Also, if you checked the box on line 39b, your standard deduction is zero, even if you were born before January 2, 1942, or were blind.

Need more information or forms? See page 7.

Standard Deduction Worksheet for Dependents—Line 40

Keep for Your Records

Use this worksheet **only** if someone can claim you, or your spouse if filing jointly, as a dependent.

1. Is your **earned income*** more than $550?
 - ☐ **Yes.** Add $300 to your earned income. Enter the total
 - ☐ **No.** Enter $550 1.
2. Enter the amount shown below for your filing status
 - Single or married filing separately $5,150
 - Married filing jointly or qualifying widow(er) $10,300
 - Head of household $7,550 2.
3. **Standard deduction.**
 - a. Enter the **smaller** of line 1 or line 2. If born after January 1, 1942, and not blind, **stop here** and enter this amount on Form 1040, line 40. Otherwise, go to line 3b 3a.
 - b. If born before January 2, 1942, or blind, multiply the number on Form 1040, line 39a, by $1,000 ($1,250 if single or head of household) 3b.
 - c. Add lines 3a and 3b. Enter the total here and on Form 1040, line 40 3c.

* **Earned income** includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 18, minus the amount, if any, on line 27.

Standard Deduction Chart for People Who Were Born Before January 2, 1942, or Were Blind—Line 40

Do not use this chart if someone can claim you, or your spouse if filing jointly, as a dependent. Instead, use the worksheet above.

Enter the number from the box on Form 1040, line 39a ▶ ☐ CAUTION Do not use the number of exemptions from line 6d

IF your filing status is . . .	AND the number in the box above is . . .	THEN your standard deduction is . . .
Single	1	$6,400
	2	7,650
Married filing jointly or Qualifying widow(er)	1	$11,300
	2	12,300
	3	13,300
	4	14,300
Married filing separately	1	$6,150
	2	7,150
	3	8,150
	4	9,150
Head of household	1	$8,800
	2	10,050

Line 42

Exemptions

Taxpayers housing individuals displaced by Hurricane Katrina. You may be able to claim an additional exemption amount of $500 per person (up to $2,000) if you provided housing to a person who was displaced from his or her main home because of Hurricane Katrina and all of the following apply.

- The person displaced lived in your main home for a period of at least 60 consecutive days ending in 2006.
- You did not receive any rent or other amount from any source for providing the housing.
- The main home of the person displaced was, on August 28, 2005, in the Hurricane Katrina disaster area.
- The person displaced was not your spouse or dependent.
- You did not claim an additional exemption amount for that person in 2005.
- You did not claim the maximum additional exemption amount of $2,000 in 2005.

For details, see Form 8914.

Adjusted gross income (line 38) over $112,875. Use the Deduction for Exemptions Worksheet below to figure your deduction for exemptions unless you are filing Form 8914.

Line 44

Tax

Include in the total on line 44 any tax from Form 8814 (relating to the election to report child's interest or dividends) and Form 4972 (relating to tax on lump-sum distributions). Be sure to check the appropriate box(es). Also include any tax from recapture of an education credit. You may owe this tax if (a) you claimed an education credit in an earlier year, and (b) either tax-free educational assistance or a refund of qualified expenses was received in 2006 for the student. See Form 8863 for more details. If you owe this tax, enter the amount and "ECR" on the dotted line next to line 44.

Do you want the IRS to figure your tax for you?

☐ **Yes.** See Pub. 967 for details, including who is eligible and what to do. If you have paid too much, we will send you a refund. If you did not pay enough, we will send you a bill.

☐ **No.** Use one of the following methods to figure your tax.

Tax Table or Tax Computation Worksheet. If your taxable income is less than $100,000, you must use the Tax Table that begins on page 67 to figure your tax. Be sure you use the correct column. If your taxable income is $100,000 or more, use the Tax Computation Worksheet on page 79.

However, do not use the Tax Table or Tax Computation Worksheet to figure your tax if any of the following applies.

Form 8615. Form 8615 must generally be used to figure the tax for any child who was under age 18 at the end of 2006, and who had more than $1,700 of investment income, such as taxable interest, ordinary dividends, or capital gains (including capital gain distributions). But if neither of the child's parents was alive at the end of 2006, do not use Form 8615 to figure the child's tax. Also, a child born on January 1, 1989, is considered to be age 18 at the end of 2006. Do not use Form 8615 for such a child.

Deduction for Exemptions Worksheet—Line 42

Keep for Your Records

1. Is the amount on Form 1040, line 38, more than the amount shown on line 4 below for your filing status?
 - ☐ **No.** STOP Multiply $3,300 by the total number of exemptions claimed on Form 1040, line 6d, and enter the result on Form 1040, line 42
 - ☐ **Yes.** *Continue* ▼
2. Multiply $3,300 by the total number of exemptions claimed on Form 1040, line 6d 2.
3. Enter the amount from Form 1040, line 38 3.
4. Enter the amount shown below for your filing status.
 - Single—$150,500
 - Married filing jointly or qualifying widow(er)—$225,750
 - Married filing separately—$112,875
 - Head of household—$188,150 4.
5. Subtract line 4 from line 3 5.
6. Is line 5 more than $122,500 ($61,250 if married filing separately)?
 - ☐ **Yes.** Multiply $1,100 by the total number of exemptions claimed on Form 1040, line 6d. Enter the result here and on Form 1040, line 42. **Do not** complete the rest of this worksheet.
 - ☐ **No.** Divide line 5 by $2,500 ($1,250 if married filing separately). If the result is not a whole number, increase it to the next higher whole number (for example, increase 0.0004 to 1) 6.
7. Multiply line 6 by 2% (.02) and enter the result as a decimal 7.
8. Multiply line 2 by line 7 8.
9. Divide line 8 by 1.5 9.
10. **Deduction for exemptions.** Subtract line 9 from line 2. Enter the result here and on Form 1040, line 42 10.

Schedule D Tax Worksheet. If you have to file Schedule D and Schedule D, line 18 or 19, is more than zero, use the Schedule D Tax Worksheet on page D-10 of the Instructions for Schedule D to figure your tax.

Qualified Dividends and Capital Gain Tax Worksheet. If you do not have to use the Schedule D Tax Worksheet (see above), use the worksheet on page 38 to figure your tax if any of the following applies.

- You reported qualified dividends on Form 1040, line 9b.
- You do not have to file Schedule D and you reported capital gain distributions on Form 1040, line 13.
- You are filing Schedule D and Schedule D, lines 15 and 16, are both more than zero.

Schedule J. If you had income from farming or fishing, your tax may be less if you choose to figure it using income averaging on Schedule J.

Foreign Earned Income Tax Worksheet. If you claimed the foreign earned income exclusion or the housing exclusion on Form 2555 or Form 2555-EZ, you must figure your tax using the worksheet below.

Foreign Earned Income Tax Worksheet—Line 44

Keep for Your Records

Before you begin: √ See the instructions above to see if you must use this worksheet to figure your tax.

1.	Enter the amount from Form 1040, line 41	1.	
2.	Enter the amount from Form 1040, line 42	2.	
3.	Subtract line 2 from line 1. If less than zero, enter the amount in parentheses	3.	
4.	Enter the amount from your (and your spouse's, if filing jointly) Form 2555, line 45, or Form 2555-EZ, line 18	4.	
5.	Enter the total amount of any itemized deductions you could not claim because they are related to excluded income	5.	
6.	Subtract line 5 from line 4. If zero or less, enter -0-	6.	
7.	Combine lines 3 and 6. If zero or less, enter -0-	7.	
8.	Tax on amount on line 7. Use the Tax Table, Tax Computation Worksheet, Schedule D Tax Worksheet*, Qualified Dividends and Capital Gain Tax Worksheet*, or Form 8615**, whichever applies. See the instructions for line 44 that begin on page 36 to see which tax computation method applies	8.	
9.	Tax on amount on line 6. Use the Tax Table or Tax Computation Worksheet, whichever applies	9.	
10.	Subtract line 9 from line 8. Enter the result. If zero or less, enter -0-. Also include this amount on Form 1040, line 44	10.	

**Enter the amount from line 7 above on line 1 of the Qualified Dividends and Capital Gain Tax Worksheet or Schedule D Tax Worksheet if you use either of those worksheets to figure the tax on line 8 above. Complete the rest of either of those worksheets according to the worksheet's instructions. Then complete lines 9 and 10 above.*

***If you use Form 8615 to figure the tax on line 8 above, enter the amount from line 7 above on line 4 of Form 8615. If the child's parent files Form 2555 or 2555-EZ, enter the amount from line 7 of the parent's Foreign Earned Income Tax Worksheet on line 6 of Form 8615. Complete the rest of Form 8615 according to its instructions. Then complete lines 9 and 10 above.*

Need more information or forms? See page 7.

Qualified Dividends and Capital Gain Tax Worksheet—Line 44

Keep for Your Records

Before you begin: √ See the instructions for line 44 that begin on page 36 to see if you can use this worksheet to figure your tax.

√ If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1.	Enter the amount from Form 1040, line 43	1.	
2.	Enter the amount from Form 1040, line 9b	2.	
3.	Are you filing Schedule D? ☐ **Yes.** Enter the **smaller** of line 15 or 16 of Schedule D. If either line 15 or line 16 is a loss, enter -0- ☐ **No.** Enter the amount from Form 1040, line 13	3.	
4.	Add lines 2 and 3	4.	
5.	If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise, enter -0-	5.	
6.	Subtract line 5 from line 4. If zero or less, enter -0-	6.	
7.	Subtract line 6 from line 1. If zero or less, enter -0-	7.	
8.	Enter the **smaller** of: • The amount on line 1, or • $30,650 if single or married filing separately, $61,300 if married filing jointly or qualifying widow(er), $41,050 if head of household.	8.	
9.	Is the amount on line 7 equal to or more than the amount on line 8? ☐ **Yes.** Skip lines 9 through 11; go to line 12 and check the "No" box. ☐ **No.** Enter the amount from line 7	9.	
10.	Subtract line 9 from line 8	10.	
11.	Multiply line 10 by 5% (.05)	11.	
12.	Are the amounts on lines 6 and 10 the same? ☐ **Yes.** Skip lines 12 through 15; go to line 16. ☐ **No.** Enter the **smaller** of line 1 or line 6	12.	
13.	Enter the amount from line 10 (if line 10 is blank, enter -0-)	13.	
14.	Subtract line 13 from line 12	14.	
15.	Multiply line 14 by 15% (.15)	15.	
16.	Figure the tax on the amount on line 7. Use the Tax Table or Tax Computation Worksheet, whichever applies	16.	
17.	Add lines 11, 15, and 16	17.	
18.	Figure the tax on the amount on line 1. Use the Tax Table or Tax Computation Worksheet, whichever applies	18.	
19.	**Tax on all taxable income.** Enter the **smaller** of line 17 or line 18. Also include this amount on Form 1040, line 44	19.	

Need more information or forms? See page 7.

Line 45

Alternative Minimum Tax

Use the worksheet below to see if you should fill in Form 6251.

TIP *An electronic version of this worksheet is available on www.irs.gov. Enter "AMT Assistant" in the Search box on the website.*

Exception. Fill in Form 6251 instead of using the worksheet below if you claimed or received any of the following items.

- Accelerated depreciation.
- Stock by exercising an incentive stock option and you did not dispose of the stock in the same year.
- Tax-exempt interest from private activity bonds.
- Intangible drilling, circulation, research, experimental, or mining costs.

(Continued on page 40)

Worksheet To See if You Should Fill in Form 6251—Line 45

Keep for Your Records

Before you begin: √ Be sure you have read the **Exception** above to see if you must fill in Form 6251 instead of using this worksheet.
√ If you are claiming the foreign tax credit (see the instructions for Form 1040, line 47, on page 40), enter that credit on line 47.

1. Are you filing **Schedule A?**
 - ☐ **No.** Skip lines 1 through 3; enter on line 4 the amount from Form 1040, line 38, and go to line 5
 - ☐ **Yes.** Enter the amount from Form 1040, line 41 1.
2. Enter the **smaller** of the amount on Schedule A, line 4, or 2.5% (.025) of the amount on Form 1040, line 38 2.
3. Enter the total of the amounts from Schedule A, lines 9 and 26 3.
4. Add lines 1 through 3 above 4.
5. Enter any tax refund from Form 1040, lines 10 and 21 5.
6. Subtract line 5 from line 4 6.
7. Enter any amount from Form 8914, line 6, if you housed someone displaced by Hurricane Katrina 7.
8. Subtract line 7 from line 6 8.
9. Enter the amount shown below for your filing status.
 - Single or head of household—$42,500
 - Married filing jointly or qualifying widow(er)—$62,550
 - Married filing separately—$31,275

 9.
10. Is the amount on line 8 more than the amount on line 9?
 - ☐ **No.** STOP You do not need to fill in Form 6251
 - ☐ **Yes.** Subtract line 9 from line 8 10.
11. Enter the amount shown below for your filing status
 - Single or head of household—$112,500
 - Married filing jointly or qualifying widow(er)—$150,000
 - Married filing separately—$75,000

 11.
12. Is the amount on line 8 more than the amount on line 11?
 - ☐ **No.** Skip lines 12 and 13; enter on line 14 the amount from line 10, and go to line 15.
 - ☐ **Yes.** Subtract line 11 from line 8 12.
13. Multiply line 12 by 25% (.25) and enter the result but do not enter more than line 9 above 13.
14. Add lines 10 and 13 14.
15. Is the amount on line 14 more than $175,000 ($87,500 if married filing separately)?
 - ☐ **Yes.** STOP Fill in Form 6251 to see if you owe the alternative minimum tax.
 - ☐ **No.** Multiply line 14 by 26% (.26) 15.
16. Enter the amount from Form 1040, line 44, minus the total of any tax from Form 4972 and any amount on Form 1040, line 47. If you used Schedule J to figure your tax, the amount for Form 1040, line 44, must be refigured without using Schedule J 16.

Next. Is the amount on line 15 more than the amount on line 16?
- ☐ **Yes.** Fill in Form 6251 to see if you owe the alternative minimum tax.
- ☐ **No.** You do not owe alternative minimum tax and do not need to fill in Form 6251. Leave line 45 blank.

Need more information or forms? See page 7.

- Amortization of pollution-control facilities or depletion.
- Income or (loss) from tax-shelter farm activities or passive activities.
- Income from long-term contracts not figured using the percentage-of-completion method.
- Interest paid on a home mortgage not used to buy, build, or substantially improve your home.
- Investment interest expense reported on Form 4952.
- Net operating loss deduction.
- Alternative minimum tax adjustments from an estate, trust, electing large partnership, or cooperative.
- Section 1202 exclusion.
- Any general business credit.
- Qualified electric vehicle credit.
- Alternative motor vehicle credit.
- Alternative fuel vehicle refueling property credit.
- Credit for prior year minimum tax.

CAUTION *Form 6251 should be filled in for a child who was under age 18 at the end of 2006 if the child's adjusted gross income from Form 1040, line 38, exceeds the child's earned income by more than $6,050.*

Line 47

Foreign Tax Credit

If you paid income tax to a foreign country, you may be able to take this credit. Generally, you must complete and attach Form 1116 to do so.

Exception. You do not have to complete Form 1116 to take this credit if all five of the following apply.

1. All of your gross foreign source income was from interest and dividends and all of that income and the foreign tax paid on it were reported to you on Form 1099-INT, Form 1099-DIV, or Schedule K-1 (or substitute statement).
2. If you had dividend income from shares of stock, you held those shares for at least 16 days.
3. You are not filing Form 4563 or excluding income from sources within Puerto Rico.
4. The total of your foreign taxes was not more than $300 (not more than $600 if married filing jointly).
5. All of your foreign taxes were
 a. Legally owed and not eligible for a refund, and
 b. Paid to countries that are recognized by the United States and do not support terrorism.

For more details on these requirements, see the Instructions for Form 1116.

Do you meet all five requirements above?

☐ **Yes.** Enter on line 47 the smaller of (a) your total foreign taxes, or (b) the amount on Form 1040, line 44

☐ **No.** See Form 1116 to find out if you can take the credit and, if you can, if you have to file Form 1116.

Line 48

Credit for Child and Dependent Care Expenses

You may be able to take this credit if you paid someone to care for:

1. Your qualifying child under age 13 whom you claim as your dependent.
2. Your disabled spouse who could not care for himself or herself, and who lived with you for more than half the year.
3. Any disabled person not able to care for himself or herself, who lived with you for more than half the year, and whom you claim as a dependent.
4. Any disabled person not able to care for himself or herself, who lived with you for more than half the year, and whom you could have claimed as a dependent except that:
 a. The person filed a joint return,
 b. The person had $3,300 or more of gross income, or
 c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's 2006 return
5. Your child whom you could not claim as a dependent because of the rules for *Children of divorced or separated parents* that begin on page 20.

For details, use TeleTax topic 602 (see page 8) or see Form 2441.

Line 49

Credit for the Elderly or the Disabled

You may be able to take this credit if by the end of 2006 (a) you were age 65 or older, or (b) you retired on permanent and total disability and you had taxable disability income. But you usually cannot take the credit if the amount on Form 1040, line 38, is $17,500 or more ($20,000 or more if married filing jointly and only one spouse is eligible for the credit; $25,000 or more if married filing jointly and both spouses are eligible; $12,500 or more if married filing separately). See Schedule R and its instructions for details.

Credit figured by the IRS. If you can take this credit and you want us to figure it for you, see the Instructions for Schedule R.

Line 50

Education Credits

If you (or your dependent) paid qualified expenses in 2006 for yourself, your spouse, or your dependent to enroll in or attend an eligible educational institution, you may be able to take an education credit. See Form 8863 for details. However, you cannot take an education credit if any of the following applies.

- You, or your spouse if filing jointly, are claimed as a dependent on someone's (such as your parent's) 2006 tax return.
- Your filing status is married filing separately.
- The amount on Form 1040, line 38, is $55,000 or more ($110,000 or more if married filing jointly).
- You, or your spouse, were a nonresident alien for any part of 2006 unless your filing status is married filing jointly.

Line 51

Retirement Savings Contributions Credit

You may be able to take this credit if you, or your spouse if filing jointly, made (a) contributions to a traditional or Roth IRA; (b) elective deferrals to a 401(k) or 403(b) plan (including designated Roth contributions) or to a governmental 457, SEP, or SIMPLE plan; (c) voluntary employee contributions to a qualified retirement plan (including the federal Thrift Savings Plan); or (d) contributions to a 501(c)(18)(D) plan.

However, you cannot take the credit if either of the following applies.

1. The amount on Form 1040, line 38, is more than $25,000 ($37,500 if head of household; $50,000 if married filing jointly).

2. The person(s) who made the qualified contribution or elective deferral (a) was born after January 1, 1989, (b) is claimed as a dependent on someone else's 2006 tax return, or (c) was a student (defined below).

You were a student if during any part of 5 calendar months of 2006 you:

- Were enrolled as a full-time student at a school, or
- Took a full-time, on-farm training course given by a school or a state, county, or local government agency.

A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

For more details, use TeleTax topic 610 (see page 8) or see Form 8880.

Line 52

Residential Energy Credits

Complete Form 5695 to claim either of the following credits.

Nonbusiness energy property credit. You may be able to take this credit for any of the following improvements to your main home located in the United States in 2006 if they are new and meet certain requirements for energy efficiency.

- Any insulation material or system primarily designed to reduce heat gain or loss in your home.
- Exterior windows (including skylights).
- Exterior doors.
- A metal roof with pigmented coatings primarily designed to reduce heat gain in your home.

You may also be able to take this credit for the cost of any of the following items if the items meet certain performance and quality standards.

- Certain electric heat pump water heaters, electric heat pumps, geothermal heat pumps, central air conditioners, and natural gas, propane, or oil water heaters.
- A qualified natural gas, propane, or oil furnace or hot water boiler.
- An advanced main air circulating fan used in a natural gas, propane, or oil furnace.

For details, see the Instructions for Form 5695.

Residential energy efficient property credit. You may be able to take this credit if you paid for any of the following during 2006.

- Qualified photovoltaic property for use in your home located in the United States.
- Qualified solar water heating property for use in your home located in the United States.
- Qualified fuel cell property installed on or in connection with your main home located in the United States.

For details, see the Instructions for Form 5695.

Special rule. If you are a member of a condominium management association for a condominium you own or a tenant-stockholder in a cooperative housing corporation, you are treated as having paid your proportionate share of any costs of such association or corporation for purposes of these credits.

Need more information or forms? See page 7.

Line 53—Child Tax Credit

Three Steps To Take the Child Tax Credit!

Step 1. Make sure you have a qualifying child for the child tax credit (see the instructions for line 6c).

Step 2. Make sure that for each qualifying child you either checked the box on Form 1040, line 6c, column (4), or completed Form 8901 (if the child is not your dependent).

Step 3. Answer the questions on this page to see if you can use the worksheet on page 43 to figure your credit or if you must use Pub. 972.

Questions **Who Must Use Pub. 972**

1. Is the amount on Form 1040, line 38, more than the amount shown below for your filing status?
 - Married filing jointly – $110,000
 - Single, head of household, or qualifying widow(er) – $75,000
 - Married filing separately – $55,000

 ☐ **Yes.** STOP You must use Pub. 972 to figure your credit.

 ☐ **No.** Go to question 2.

2. Are you claiming any of the following credits?
 - Residential energy efficient property credit, Form 5695, Part II.
 - Adoption credit, Form 8839.
 - Mortgage interest credit, Form 8396.
 - District of Columbia first-time homebuyer credit, Form 8859.

 ☐ **Yes.** STOP You must use Pub. 972 to figure your child tax credit. You will also need the form(s) listed above for any credit(s) you are claiming.

 ☐ **No.** Continue

3. Are you excluding income from Puerto Rico or are you filing any of the following forms?
 - Form 2555 or 2555-EZ (relating to foreign earned income).
 - Form 4563 (exclusion of income for residents of American Samoa).

 ☐ **Yes.** STOP You must use Pub. 972 to figure your credit.

 ☐ **No.** Use the worksheet on page 43 to figure your credit.

Need more information or forms? See page 7.

Child Tax Credit Worksheet—Line 53

Keep for Your Records

CAUTION
- To be a qualifying child for the child tax credit, the child must be **under age 17** at the end of 2006 and meet the other requirements listed on page 19
- Do not use this worksheet if you answered "Yes" to question 1, 2, or 3 on page 42. Instead, use Pub. 972

1. Number of qualifying children: _____ × $1,000. Enter the result — 1
2. Enter the amount from Form 1040, line 46. — 2
3. Add the amounts from Form 1040:
 - Line 47 _____
 - Line 48 + _____
 - Line 49 + _____
 - Line 50 + _____
 - Line 51 + _____
 - Line 52* + _____ Enter the total. — 3

 *Include only the amount, if any, from Form 5695, line 12
4. Are the amounts on lines 2 and 3 the same?
 - ☐ **Yes.** STOP
 You cannot take this credit because there is no tax to reduce. However, you may be able to take the **additional child tax credit.** See the **TIP** below.
 - ☐ **No.** Subtract line 3 from line 2. — 4
5. Is the amount on line 1 more than the amount on line 4?
 - ☐ **Yes.** Enter the amount from line 4. Also, you may be able to take the **additional child tax credit.** See the **TIP** below
 - ☐ **No.** Enter the amount from line 1

 This is your child tax credit. — 5

 Enter this amount on Form 1040, line 53

TIP
You may be able to take the **additional child tax credit** on Form 1040, line 68, if you answered "Yes" on line 4 **or** line 5 above
- First, complete your Form 1040 through line 67
- Then, use Form 8812 to figure any additional child tax credit

Need more information or forms? See page 7.

Line 54

Include the following credits on line 54 and check the appropriate box(es). To find out if you can take the credit, see the form indicated.

- Mortgage interest credit. If a state or local government gave you a mortgage credit certificate, see Form 8396.
- Adoption credit. You may be able to take this credit if you paid expenses to adopt a child or you adopted a child with special needs and the adoption became final in 2006. See the Instructions for Form 8839
- District of Columbia first-time homebuyer credit. See Form 8859.

Line 55

Other Credits

Include the following credits on line 55 and check the appropriate box(es). If box c is checked, also enter the applicable form number. To find out if you can take the credit, see the form or publication indicated.

- Credit for prior year minimum tax. If you paid alternative minimum tax in a prior year, see Form 8801.
- Qualified electric vehicle credit. If you placed a new electric vehicle in service in 2006, see Form 8834
- General business credit. This credit consists of a number of credits that usually apply only to individuals who are partners, shareholders in an S corporation, self-employed, or who have rental property. See Form 3800 or Pub. 334
- Empowerment zone and renewal community employment credit. See Form 8844.
- Credit for alcohol used as fuel. See Form 6478.
- Renewable electricity, refined coal, and Indian coal production credit for electricity and refined coal produced at facilities placed in service after October 22, 2004, and Indian coal produced at facilities placed in service after August 8, 2005. See Form 8835, Section B.
- New York Liberty Zone business employee credit. If you have a carryforward credit from Form 8884, see the instructions for Form 8835.
- Qualified zone academy bond credit. This credit applies only to S corporation shareholders. See Form 8860.
- Clean renewable energy bond credit. See Form 8912.
- Credit for Gulf tax credit bonds. See Form 8912.
- Alternative motor vehicle credit. If you placed an alternative motor vehicle (such as a qualified hybrid vehicle) in service during 2006, see Form 8910.
- Alternative fuel vehicle refueling property credit. See Form 8911.

Other Taxes

Line 59

Social Security and Medicare Tax on Tip Income Not Reported to Employer

If you received tips of $20 or more in any month and you did not report the full amount to your employer, you must pay the social security and Medicare or railroad retirement (RRTA) tax on the unreported tips. You must also pay this tax if your Form(s) W-2 shows allocated tips that you are including in your income on Form 1040, line 7.

To figure the social security and Medicare tax, use Form 4137. If you owe RRTA tax, contact your employer. Your employer will figure and collect the RRTA tax.

CAUTION
You may be charged a penalty equal to 50% of the social security and Medicare tax due on tips you received but did not report to your employer.

Line 60

Additional Tax on IRAs, Other Qualified Retirement Plans, etc.

TIP
You may not owe this tax if the distribution was made or repaid because of Hurricane Katrina, Rita, or Wilma. See Form 8915 and its instructions for details.

If any of the following apply, see Form 5329 and its instructions to find out if you owe this tax and if you must file Form 5329.

1. You received an early distribution from (a) an IRA or other qualified retirement plan, (b) an annuity, or (c) a modified endowment contract entered into after June 20, 1988, and the total distribution was not rolled over in a qualified rollover contribution.

2. Excess contributions were made to your IRAs, Coverdell education savings accounts (ESAs), Archer MSAs, or health savings accounts.

3. You received taxable distributions from Coverdell ESAs or qualified tuition programs.

4. You were born before July 1, 1935, and did not take the minimum required distribution from your IRA or other qualified retirement plan.

Exception. If only item (1) applies and distribution code 1 is correctly shown in box 7 of Form 1099-R, you do not have to file Form 5329. Instead, multiply the taxable amount of the distribution by 10% (.10) and enter the result on line 60. The taxable amount of the distribution is the part of the distribution you reported on Form 1040, line 15b or line 16b, or on Form 4972. Also, enter "No" under the heading *"Other Taxes"* to the left of line 60 to indicate that you do not have to file Form 5329. But if distribution code 1 is incorrectly shown in box 7 of Form 1099-R or you qualify for an exception for qualified medical expenses, qualified higher education expenses, or qualified first-time homebuyer distributions, you must file Form 5329.

Line 62

Household Employment Taxes

If any of the following apply, see Schedule H and its instructions to find out if you owe these taxes.

1. You paid any one household employee (defined below) cash wages of $1,500 or more in 2006. Cash wages include wages paid by check, money order, etc.

2. You withheld federal income tax during 2006 at the request of any household employee.

3. You paid total cash wages of $1,000 or more in any calendar quarter of 2005 or 2006 to household employees.

TIP
For item (1), do not count amounts paid to an employee who was under age 18 at any time in 2006 and was a student.

Household employee. Any person who does household work is a household employee if you can control what will be done and how it will be done. Household work includes work done in or around your home by babysitters, nannies, health aides, maids, yard workers, and similar domestic workers.

Line 63

Total Tax

Include in the total on line 63 any of the following taxes. To find out if you owe the

Need more information or forms? See page 7.

tax, see the form or publication indicated On the dotted line next to line 63, enter the amount of the tax and identify it as indicated

1. Additional tax on health savings account distributions (see Form 8889). Identify as "HSA."

2 Additional tax on Archer MSA distributions (see Form 8853). Identify as "MSA."

3. Additional tax on Medicare Advantage MSA distributions (see Form 8853). Identify as "Med MSA."

4 Recapture of the following credits

a. Investment credit (see Form 4255). Identify as "ICR."

b. Low-income housing credit (see Form 8611). Identify as "LIHCR."

c. Qualified electric vehicle credit (see Form 8834). Identify as "QEVCR."

d. Indian employment credit (see Form 8845). Identify as "IECR."

e. New markets credit (see Form 8874). Identify as "NMCR."

f. Credit for employer-provided child care facilities (see Form 8882). Identify as "ECCFR."

5 Recapture of federal mortgage subsidy. If you sold your home in 2006 and it was financed (in whole or in part) from the proceeds of any tax-exempt qualified mortgage bond or you claimed the mortgage interest credit, see Form 8828. Identify as "FMSR."

6. Section 72(m)(5) excess benefits tax (see Pub. 560). Identify as "Sec. 72(m)(5)."

7. Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance. This tax should be shown in box 12 of Form W-2 with codes A and B or M and N. Identify as "UT."

8. Golden parachute payments If you received an excess parachute payment (EPP), you must pay a 20% tax on it. This tax should be shown in box 12 of Form W-2 with code K If you received a Form 1099-MISC, the tax is 20% of the EPP shown in box 13. Identify as "EPP."

9. Tax on accumulation distribution of trusts (see Form 4970). Identify as "ADT."

10. Excise tax on insider stock compensation from an expatriated corporation. You may owe a 15% excise tax on the value of nonstatutory stock options and certain other stock-based compensation held by you or a member of your family from an expatriated corporation or its expanded affiliated group in which you were an officer, director, or more-than-10% owner See Internal Revenue Code section 4985. Identify as "ISC."

11. Additional tax on income you received from a nonqualified deferred compensation plan that fails to meet certain requirements. This income should be shown in box 12 of Form W-2 with code Z, or in box 15b of Form 1099-MISC. See Internal Revenue Code section 409A(a)(1)(B) to figure the tax on this income. Identify as "NQDC."

12. Interest on the tax due on installment income from the sale of certain residential lots and timeshares. Identify as "453(l)(3)."

13. Interest on the deferred tax on gain from certain installment sales with a sales price over $150,000. Identify as "453A(c)."

Payments

Line 64

Federal Income Tax Withheld

Add the amounts shown as federal income tax withheld on your Forms W-2, W-2G, and 1099-R Enter the total on line 64 The amount withheld should be shown in box 2 of Form W-2 or W-2G, and in box 4 of Form 1099-R Attach Forms W-2G and 1099-R to the front of your return if federal income tax was withheld.

If you received a 2006 Form 1099 showing federal income tax withheld on dividends, taxable or tax-exempt interest income, unemployment compensation, social security benefits, or other income you received, include the amount withheld in the total on line 64 This should be shown in box 4 of Form 1099 or box 6 of Form SSA-1099.

Line 65

2006 Estimated Tax Payments

Enter any estimated federal income tax payments you made for 2006. Include any overpayment from your 2005 return that you applied to your 2006 estimated tax

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, you can divide the amount paid in any way you choose as long as you both agree. If you cannot agree, you must divide the payments in proportion to each spouse's individual tax as shown on your separate returns for 2006. For an example of how to do this, see Pub. 505. Be sure to show both social security numbers (SSNs) in the space provided on the separate returns. If you or your spouse paid separate estimated tax but you are now filing a joint return, add the amounts you each paid. Follow these instructions even if your spouse died in 2006 or in 2007 before filing a 2006 return.

Divorced Taxpayers

If you got divorced in 2006 and you made joint estimated tax payments with your former spouse, enter your former spouse's SSN in the space provided on the front of Form 1040. If you were divorced and remarried in 2006, enter your present spouse's SSN in the space provided on the front of Form 1040. Also, under the heading *Payments* to the left of line 65, enter your former spouse's SSN, followed by "DIV."

Name Change

If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to the front of Form 1040. On the statement, explain all the payments you and your spouse made in 2006 and the name(s) and SSN(s) under which you made them.

Need more information or forms? See page 7.

Lines 66a and 66b— Earned Income Credit (EIC)

What Is the EIC?

The EIC is a credit for certain people who work. The credit may give you a refund even if you do not owe any tax

TIP *Special rules may apply for people who had to relocate because of Hurricane Katrina, Rita, or Wilma For details, see Pub. 4492.*

To Take the EIC:

- Follow the steps below
- Complete the worksheet that applies to you or let the IRS figure the credit for you.
- If you have a qualifying child, coroplete and attach Schedule EIC.

For help in determining if you are eligible for the EIC, go to *www.irs.gov/eitc* and click on "EITC Assistant." This service is available in English and Spanish.

CAUTION *If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. See* Form 8862, who must file, *on page 49. You may also have to pay penalties.*

Step 1 All Filers

1. If, in 2006:
 - 2 children lived with you, is the amount on Form 1040, line 38, less than $36,348 ($38,348 if married filing jointly)?
 - 1 child lived with you, is the amount on Form 1040, line 38, less than $32,001 ($34,001 if married filing jointly)?
 - No children lived with you, is the amount on Form 1040, line 38, less than $12,120 ($14,120 if married filing jointly)?

 ☐ **Yes.** Continue ☐ **No.** STOP You cannot take the credit.

2 Do you, and your spouse if filing a joint return, have a social security number that allows you to work or is valid for EIC purposes (see page 49)?

☐ **Yes.** Continue ☐ **No.** STOP You cannot take the credit. Enter "No" on the dotted line next to line 66a

3. Is your filing status married filing separately?

☐ **Yes.** STOP You cannot take the credit. ☐ **No.** Go to question 4

4 Are you filing Form 2555 or 2555-EZ (relating to foreign earned income)?

☐ **Yes.** STOP You cannot take the credit. ☐ **No.** Continue

5 Were you or your spouse a nonresident alien for any part of 2006?

☐ **Yes.** See *Nonresident aliens* on page 49. ☐ **No.** Go to Step 2.

Step 2 Investment Income

1. Add the amounts from Form 1040:

Line 8a		
Line 8b	+	
Line 9a	+	
Line 13*	+	
Investment Income	=	

*If line 13 is a loss, enter -0-.

2. Is your investment income more than $2,800?

☐ **Yes.** Continue ☐ **No.** Skip question 3; go to question 4

3. Are you filing Form 4797 (relating to sales of business property)?

☐ **Yes.** See *Form 4797 filers* on page 49. ☐ **No.** STOP You cannot take the credit.

4. Do any of the following apply for 2006?
 - You are filing Schedule E.
 - You are reporting income or a loss from the rental of personal property not used in a trade or business.
 - You are reporting income on Form 1040, line 21, from Form 8814 (relating to election to report child's interest and dividends)

 ☐ **Yes.** You must use Worksheet 1 in Pub. 596 to see if you can take the credit ☐ **No.** Go to Step 3

Continued from page 46

Step 3 Qualifying Child

A qualifying child for the EIC is a child who is your...

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)

AND

was ...

Under age 19 at the end of 2006

or

Under age 24 at the end of 2006 and a student (see page 49)

or

Any age and permanently and totally disabled (see page 49)

AND

who...

Lived with you in the United States for more than half of 2006.

If the child did not live with you for the required time, see *Exception to time lived with* you on page 49.

CAUTION *If the child meets the conditions to be a qualifying child of any other person (other than your spouse if filing a joint return) for 2006, or the child was married, see page 49.*

1. Do you have at least one child who meets the conditions to be your qualifying child?
 - ☐ **Yes.** The child must have a valid social security number as defined on page 49 unless the child was born and died in 2006. Go to question 2.
 - ☐ **No.** Skip question 2; go to Step 4.
2. Could you, or your spouse if filing a joint return, be a qualifying child of another person in 2006?
 - ☐ **Yes.** STOP You cannot take the credit. Enter "No" on the dotted line next to line 66a.
 - ☐ **No.** Skip Step 4; go to Step 5 on page 48.

Step 4 Filers Without a Qualifying Child

1. Is the amount on Form 1040, line 38, less than $12,120 ($14,120 if married filing jointly)?
 - ☐ **Yes.** Continue
 - ☐ **No.** STOP You cannot take the credit.
2. Could you, or your spouse if filing a joint return, be a qualifying child of another person in 2006?
 - ☐ **Yes.** STOP You cannot take the credit. Enter "No" on the dotted line next to line 66a
 - ☐ **No.** Continue
3. Can you, or your spouse if filing a joint return, be claimed as a dependent on someone else's 2006 tax return?
 - ☐ **Yes.** STOP You cannot take the credit.
 - ☐ **No.** Continue
4. Were you, or your spouse if filing a joint return, at least age 25 but under age 65 at the end of 2006?
 - ☐ **Yes.** Continue
 - ☐ **No.** STOP You cannot take the credit.
5. Was your home, and your spouse's if filing a joint return, in the United States for more than half of 2006? Members of the military stationed outside the United States, see page 49 before you answer
 - ☐ **Yes.** Go to Step 5 on page 48.
 - ☐ **No.** STOP You cannot take the credit. Enter "No" on the dotted line next to line 66a

Need more information or forms? See page 7.

Continued from page 47

Step 5 Earned Income

1. Are you filing Schedule SE because you were a member of the clergy or you had church employee income of $108.28 or more?
 - ☐ **Yes.** See *Clergy or Church employees*, whichever applies, on this page.
 - ☐ **No.** Continue
2. Figure earned income:

 Form 1040, line 7 _____

 Subtract, if included on line 7, any:
 - Taxable scholarship or fellowship grant not reported on a Form W-2.
 - Amount received for work performed while an inmate in a penal institution (enter "PRI" and the amount subtracted on the dotted line next to Form 1040, line 7).
 - Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (enter "DFC" and the amount subtracted on the dotted line next to Form 1040, line 7). This amount may be shown in box 11 of Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity. – _____

 Add all of your nontaxable combat pay if you elect to include it in earned income. Also enter this amount on Form 1040, line 66b. See *Combat pay, nontaxable* on this page. + _____

 CAUTION *Electing to include nontaxable combat pay may increase or decrease your EIC. Figure the credit with and without your nontaxable combat pay before making the election.*

 Earned Income = _____
3. Were you self-employed at any time in 2006, or are you filing Schedule SE because you were a member of the clergy or you had church employee income, or are you filing Schedule C or C-EZ as a statutory employee?
 - ☐ **Yes.** Skip question 4 and Step 6; go to Worksheet B on page 51
 - ☐ **No.** Continue
4. If you have:
 - 2 or more qualifying children, is your earned income less than $36,348 ($38,348 if married filing jointly)?
 - 1 qualifying child, is your earned income less than $32,001 ($34,001 if married filing jointly)?
 - No qualifying children, is your earned income less than $12,120 ($14,120 if married filing jointly)?
 - ☐ **Yes.** Go to Step 6.
 - ☐ **No.** STOP You cannot take the credit.

Step 6 How To Figure the Credit

1. Do you want the IRS to figure the credit for you?
 - ☐ **Yes.** See *Credit figured by the IRS* below.
 - ☐ **No.** Go to Worksheet A on page 50.

Definitions and Special Rules

(listed in alphabetical order)

Adopted child. An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

Church employees. Determine how much of the amount on Form 1040, line 7, was also reported on Schedule SE, line 5a. Subtract that amount from the amount on Form 1040, line 7, and enter the result in the first space of Step 5, line 2. Be sure to answer "Yes" to question 3 in Step 5.

Clergy. The following instructions apply to ministers, members of religious orders who have not taken a vow of poverty, and Christian Science practitioners. If you are filing Schedule SE and the amount on line 2 of that schedule includes an amount that was also reported on Form 1040, line 7:

1. Enter "Clergy" on the dotted line next to Form 1040, line 66a.
2. Determine how much of the amount on Form 1040, line 7, was also reported on Schedule SE, line 2.
3. Subtract that amount from the amount on Form 1040, line 7. Enter the result in the first space of Step 5, line 2.
4. Be sure to answer "Yes" to question 3 in Step 5.

Combat pay, nontaxable. If you were a member of the U.S. Armed Forces who served in a combat zone, certain pay is excluded from your income. See *Combat Zone Exclusion* in Pub. 3. You can elect to include this pay in your earned income when figuring the EIC. The amount of your nontaxable combat pay should be shown in box 12 of Form(s) W-2 with code Q. If you are filing a joint return and both you and your spouse received nontaxable combat pay, you can each make your own election.

Credit figured by the IRS. To have the IRS figure your EIC:

1. Enter "EIC" on the dotted line next to Form 1040, line 66a.
2. Be sure you enter the nontaxable combat pay you elect to include in earned income on Form 1040, line 66b. See *Combat pay, nontaxable* above.
3. If you have a qualifying child, complete and attach Schedule EIC. If your EIC for a year after 1996 was reduced or disallowed, see *Form 8862, who must file* on page 49.

Need more information or forms? See page 7.

Exception to time lived with you. A child is considered to have lived with you for all of 2006 if the child was born or died in 2006 and your home was this child's home for the entire time he or she was alive in 2006. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility, count as time lived at home. Also see *Kidnapped child* on page 21 or *Members of the military* below.

Form 4797 filers. If the amount on Form 1040, line 13, includes an amount from Form 4797, you must use Worksheet 1 in Pub. 596 to see if you can take the EIC. Otherwise, stop; you cannot take the EIC.

Form 8862, who must file. You must file Form 8862 if your EIC for a year after 1996 was reduced or disallowed for any reason other than a math or clerical error. But do not file Form 8862 if either of the following applies.

- You filed Form 8862 for another year, the EIC was allowed for that year, and your EIC has not been reduced or disallowed again for any reason other than a math or clerical error.
- You are taking the EIC without a qualifying child and the only reason your EIC was reduced or disallowed in the other year was because it was determined that a child listed on Schedule EIC was not your qualifying child.

Also, do not file Form 8862 or take the credit for the:

- 2 years after the most recent tax year for which there was a final determination that your EIC was reduced or disallowed due to reckless or intentional disregard of the EIC rules, or
- 10 years after the most recent tax year for which there was a final determination that your EIC was reduced or disallowed due to fraud.

Foster child. A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. For more details on authorized placement agencies, see Pub. 596.

Married child. A child who was married at the end of 2006 is a qualifying child only if (a) you can claim him or her as your dependent on Form 1040, line 6c, or (b) you could have claimed him or her as your dependent except for the special rule for *Children of divorced or separated parents* that begins on page 20.

Members of the military. If you were on extended active duty outside the United States, your home is considered to be in the United States during that duty period. Extended active duty is military duty ordered for an indefinite period or for a period of more than 90 days. Once you begin serving extended active duty, you are considered to be on extended active duty even if you do not serve more than 90 days.

Nonresident aliens. If your filing status is married filing jointly, go to Step 2 on page 46. Otherwise, stop; you cannot take the EIC.

Permanently and totally disabled. A person is permanently and totally disabled if, at any time in 2006, the person cannot engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition (a) has lasted or can be expected to last continuously for at least a year, or (b) can be expected to lead to death.

Qualifying child of more than one person. If the child is the qualifying child of more than one person, only one person can claim the child as a qualifying child for all of the following tax benefits, unless the special rule for *Children of divorced or separated parents* beginning on page 20 applies.

1. Dependency exemption (line 6c).
2. Child tax credits (lines 53 and 68).
3. Head of household filing status (line 4).
4. Credit for child and dependent care expenses (line 48).
5. Exclusion for dependent care benefits (Form 2441, Part III).
6. Earned income credit (lines 66a and 66b).

No other person can take any of the six tax benefits listed above unless he or she has a different qualifying child. If you and any other person claim the child as a qualifying child, the IRS will apply the following rules.

- If only one of the persons is the child's parent, the child will be treated as the qualifying child of the parent.
- If two of the persons are the child's parents, the child will be treated as the qualifying child of the parent with whom the child lived for the longer period of time in 2006. If the child lived with each parent for the same amount of time, the child will be treated as the qualifying child of the parent who had the higher adjusted gross income (AGI) for 2006.
- If none of the persons is the child's parent, the child will be treated as the qualifying child of the person who had the highest AGI for 2006.

Example. Your daughter meets the conditions to be a qualifying child for both you and your mother. If you and your mother both claim tax benefits based on the child, the rules above apply. Under these rules, you are entitled to treat your daughter as a qualifying child for any of the six tax benefits listed above for which you otherwise qualify. Your mother would not be entitled to take any of the six tax benefits listed above unless she has a different qualifying child.

If you will not be taking the EIC with a qualifying child, enter "No" on the dotted line next to line 66a. Otherwise, go to Step 3, question 1, on page 47.

Social security number (SSN). For the EIC, a valid SSN is a number issued by the Social Security Administration unless "Not Valid for Employment" is printed on the social security card and the number was issued solely to apply for or receive a federally funded benefit.

To find out how to get an SSN, see page 16. If you will not have an SSN by the date your return is due, see *What if You Cannot File on Time?* on page 12.

Student. A student is a child who during any part of 5 calendar months of 2006 was enrolled as a full-time student at a school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

Welfare benefits, effect of credit on. Any refund you receive as a result of taking the EIC will not be used to determine if you are eligible for the following programs or how much you can receive from them. But if the refund you receive because of the EIC is not spent within a certain period of time, it can count as an asset (or resource) and affect your eligibility.

- Temporary Assistance for Needy Families (TANF).
- Medicaid and supplemental security income (SSI).
- Food stamps and low-income housing.

Need more information or forms? See page 7.

Worksheet A—Earned Income Credit (EIC)—Lines 66a and 66b

Keep for Your Records

Before you begin: √ Be sure you are using the correct worksheet. Use this worksheet only if you answered "No" to Step 5, question 3, on page 48. Otherwise, use Worksheet B that begins on page 51.

Part 1
All Filers Using Worksheet A

1. Enter your earned income from Step 5 on page 48. [1]
2. Look up the amount on line 1 above in the EIC Table on pages 53–59 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. [2]

 If line 2 is zero, STOP. You cannot take the credit. Enter "No" on the dotted line next to line 66a.
3. Enter the amount from Form 1040, line 38. [3]
4. Are the amounts on lines 3 and 1 the same?

 ☐ **Yes.** Skip line 5; enter the amount from line 2 on line 6.

 ☐ **No.** Go to line 5.

Part 2
Filers Who Answered "No" on Line 4

5. If you have:
 - No qualifying children, is the amount on line 3 less than $6,750 ($8,750 if married filing jointly)?
 - 1 or more qualifying children, is the amount on line 3 less than $14,850 ($16,850 if married filing jointly)?

 ☐ **Yes.** Leave line 5 blank; enter the amount from line 2 on line 6.

 ☐ **No.** Look up the amount on line 3 in the EIC Table on pages 53–59 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. [5]

 Look at the amounts on lines 5 and 2. Then, enter the **smaller** amount on line 6.

Part 3
Your Earned Income Credit

6. This is your earned income credit. [6]

 Enter this amount on Form 1040, line 66a.

Reminder—

√ If you have a qualifying child, complete and attach Schedule EIC.



CAUTION *If your EIC for a year after 1996 was reduced or disallowed, see page 49 to find out if you must file Form 8862 to take the credit for 2006.*

Need more information or forms? See page 7.

Worksheet B—Earned Income Credit (EIC)—Lines 66a and 66b

Keep for Your Records

Use this worksheet if you answered "Yes" to Step 5, question 3, on page 48.

- √ Complete the parts below (Parts 1 through 3) that apply to you. Then, continue to Part 4.
- √ If you are married filing a joint return, include your spouse's amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

Part 1 — Self-Employed, Members of the Clergy, and People With Church Employee Income Filing Schedule SE

1a.	Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies.	1a	
b.	Enter any amount from Schedule SE, Section B, line 4b, and line 5a	+ 1b	
c.	Combine lines 1a and 1b.	= 1c	
d.	Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies	− 1d	
e.	Subtract line 1d from 1c.	= 1e	

Part 2 — Self-Employed NOT Required To File Schedule SE

For example, your net earnings from self-employment were less than $400.

2. Do not include on these lines any statutory employee income, any net profit from services performed as a notary public, or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.

a.	Enter any net farm profit or (loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), box 14, code A*	2a	
b.	Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1*	+ 2b	
c.	Combine lines 2a and 2b.	= 2c	

*Reduce any Schedule K-1 amounts by any partnership section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties. If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Enter your name and social security number on Schedule SE and attach it to your return.

Part 3 — Statutory Employees Filing Schedule C or C-EZ

3.	Enter the amount from Schedule C, line 1, or Schedule C-EZ, line 1, that you are filing as a statutory employee.	3	

Part 4 — All Filers Using Worksheet B

Note. If line 4b includes income on which you should have paid self-employment tax but did not, we may reduce your credit by the amount of self-employment tax not paid.

4a.	Enter your earned income from Step 5 on page 48.	4a	
b.	Combine lines 1e, 2c, 3, and 4a. **This is your total earned income.**	4b	

If line 4b is zero or less, STOP You cannot take the credit. Enter "No" on the dotted line next to line 66a.

5. If you have:
 - 2 or more qualifying children, is line 4b less than $36,348 ($38,348 if married filing jointly)?
 - 1 qualifying child, is line 4b less than $32,001 ($34,001 if married filing jointly)?
 - No qualifying children, is line 4b less than $12,120 ($14,120 if married filing jointly)?

☐ **Yes.** If you want the IRS to figure your credit, see page 48. If you want to figure the credit yourself, enter the amount from line 4b on line 6 (page 52).

☐ **No.** STOP You cannot take the credit. Enter "No" on the dotted line next to line 66a.

Need more information or forms? See page 7.

Worksheet B—*Continued from page 51*

Keep for Your Records

Part 5 — All Filers Using Worksheet B

6.	Enter your total earned income from Part 4, line 4b, on page 51.	6	
7.	Look up the amount on line 6 above in the EIC Table on pages 53–59 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.	7	

If line 7 is zero, STOP You cannot take the credit. Enter "No" on the dotted line next to line 66a.

8.	Enter the amount from Form 1040, line 38.	8	

9. Are the amounts on lines 8 and 6 the same?

☐ **Yes.** Skip line 10; enter the amount from line 7 on line 11.

☐ **No.** Go to line 10.

Part 6 — Filers Who Answered "No" on Line 9

10. If you have
 - No qualifying children, is the amount on line 8 less than $6,750 ($8,750 if married filing jointly)?
 - 1 or more qualifying children, is the amount on line 8 less than $14,850 ($16,850 if married filing jointly)?

☐ **Yes.** Leave line 10 blank; enter the amount from line 7 on line 11.

☐ **No.** Look up the amount on line 8 in the EIC Table on pages 53–59 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. Look at the amounts on lines 10 and 7. Then, enter the **smaller** amount on line 11. — 10

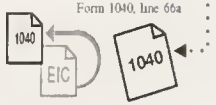
Part 7 — Your Earned Income Credit

11. **This is your earned income credit.** — 11

Enter this amount on Form 1040, line 66a.

Reminder—

√ If you have a qualifying child, complete and attach Schedule EIC.



CAUTION *If your EIC for a year after 1996 was reduced or disallowed, see page 49 to find out if you must file Form 8862 to take the credit for 2006.*

Need more information or forms? See page 7.

2006 Earned Income Credit (EIC) Table

Caution. This is **not** a tax table.

1. To find your credit, read down the "At least - But less than" columns and find the line that includes the amount you were told to look up from your EIC Worksheet

2. Then, go to the column that includes your filing status and the number of qualifying children you have. Enter the credit from that column on your EIC Worksheet

Example. If your filing status is single, you have one qualifying child, and the amount you are looking up from your EIC Worksheet is $2,455, you would enter $842

If the amount you are looking up from the worksheet is—		And your filing status is— Single, head of household or qualifying widow(er) and you have—		
		No children	One child	Two children
At least	But less than	Your credit is—		
2,400	2,450	186	825	970
2,450	2,500	189	842	990

If the amount you are looking up from the worksheet is—		And your filing status is— Single, head of household or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—		
$1	550	$2	$9	$10	$2	$9	$10
50	100	6	26	30	6	28	30
100	150	10	43	50	10	43	50
150	200	13	60	70	13	60	70
200	250	17	77	90	17	77	90
250	300	21	94	110	21	94	110
300	350	25	111	130	25	111	130
350	400	29	128	150	29	128	150
400	450	33	145	170	33	145	170
450	500	36	162	190	36	162	190
500	550	40	179	210	40	179	210
550	600	44	196	230	44	196	230
600	650	48	213	250	48	213	250
650	700	52	230	270	52	230	270
700	750	55	247	290	55	247	290
750	800	59	264	310	59	264	310
800	850	63	281	330	63	281	330
850	900	67	298	350	67	298	350
900	950	71	315	370	71	315	370
950	1,000	75	332	390	75	332	390
1,000	1,050	78	349	410	78	349	410
1,050	1,100	82	366	430	82	386	430
1,100	1,150	86	383	450	86	383	450
1,150	1,200	90	400	470	90	400	470
1,200	1,250	94	417	490	94	417	490
1,250	1,300	98	434	510	98	434	510
1,300	1,350	101	451	530	101	451	530
1,350	1,400	105	468	550	105	468	550
1,400	1,450	109	485	570	109	485	570
1,450	1,500	113	502	590	113	502	590
1,500	1,550	117	519	610	117	519	610
1,550	1,600	120	538	630	120	536	630
1,600	1,650	124	553	650	124	553	650
1,650	1,700	128	570	670	128	570	670
1,700	1,750	132	587	690	132	587	690
1,750	1,800	136	604	710	136	604	710
1,800	1,850	140	621	730	140	621	730
1,850	1,900	143	638	750	143	638	750
1,900	1,950	147	655	770	147	655	770
1,950	2,000	151	672	790	151	672	790
2,000	2,050	155	689	810	155	689	810
2,050	2,100	159	706	830	159	706	830
2,100	2,150	163	723	850	163	723	850
2,150	2,200	166	740	870	166	740	870
2,200	2,250	170	757	890	170	757	890
2,250	2,300	174	774	910	174	774	910
2,300	2,350	178	791	930	178	791	930
2,350	2,400	182	808	950	182	808	950
2,400	2,450	186	825	970	186	825	970
2,450	2,500	189	842	990	189	842	990
2,500	2,550	193	859	1,010	193	859	1,010
2,550	2,600	197	878	1,030	197	876	1,030
2,600	2,650	201	893	1,050	201	893	1,050
2,650	2,700	205	910	1,070	205	910	1,070
2,700	2,750	208	927	1,090	208	927	1,090
2,750	2,800	212	944	1,110	212	944	1,110
2,800	2,850	216	961	1,130	216	961	1,130
2,850	2,900	220	978	1,150	220	978	1,150
2,900	2,950	224	995	1,170	224	995	1,170
2,950	3,000	228	1,012	1,190	228	1,012	1,190
3,000	3,050	231	1,029	1,210	231	1,029	1,210
3,050	3,100	235	1,046	1,230	235	1,048	1,230
3,100	3,150	239	1,063	1,250	239	1,063	1,250
3,150	3,200	243	1,080	1,270	243	1,080	1,270
3,200	3,250	247	1,097	1,290	247	1,097	1,290
3,250	3,300	251	1,114	1,310	251	1,114	1,310
3,300	3,350	254	1,131	1,330	254	1,131	1,330
3,350	3,400	258	1,148	1,350	258	1,148	1,350
3,400	3,450	262	1,165	1,370	262	1,165	1,370
3,450	3,500	266	1,182	1,390	266	1,182	1,390
3,500	3,550	270	1,199	1,410	270	1,199	1,410
3,550	3,600	273	1,216	1,430	273	1,216	1,430
3,600	3,650	277	1,233	1,450	277	1,233	1,450
3,650	3,700	281	1,250	1,470	281	1,250	1,470
3,700	3,750	285	1,267	1,490	285	1,267	1,490
3,750	3,800	289	1,284	1,510	289	1,284	1,510
3,800	3,850	293	1,301	1,530	293	1,301	1,530
3,850	3,900	296	1,318	1,550	296	1,318	1,550
3,900	3,950	300	1,335	1,570	300	1,335	1,570
3,950	4,000	304	1,352	1,590	304	1,352	1,590
4,000	4,050	308	1,369	1,610	308	1,369	1,610
4,050	4,100	312	1,386	1,630	312	1,386	1,630
4,100	4,150	316	1,403	1,650	316	1,403	1,650
4,150	4,200	319	1,420	1,670	319	1,420	1,670
4,200	4,250	323	1,437	1,690	323	1,437	1,690
4,250	4,300	327	1,454	1,710	327	1,454	1,710
4,300	4,350	331	1,471	1,730	331	1,471	1,730
4,350	4,400	335	1,488	1,750	335	1,488	1,750
4,400	4,450	339	1,505	1,770	339	1,505	1,770
4,450	4,500	342	1,522	1,790	342	1,522	1,790
4,500	4,550	346	1,539	1,810	346	1,539	1,810
4,550	4,600	350	1,556	1,830	350	1,556	1,830
4,600	4,650	354	1,573	1,850	354	1,573	1,850
4,650	4,700	358	1,590	1,870	358	1,590	1,870
4,700	4,750	361	1,607	1,890	361	1,607	1,890
4,750	4,800	365	1,624	1,910	365	1,624	1,910
4,800	4,850	369	1,641	1,930	369	1,641	1,930
4,850	4,900	373	1,658	1,950	373	1,658	1,950
4,900	4,950	377	1,675	1,970	377	1,675	1,970
4,950	5,000	381	1,692	1,990	381	1,692	1,990

(Continued on page 54)

Need more information or forms? See page 7.

2006 Earned Income Credit (EIC) Table–*Continued*

(**Caution.** This is **not** a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is— Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—		
5,000	5,050	384	1,709	2,010	384	1,709	2,010
5,050	5,100	388	1,726	2,030	388	1,726	2,030
5,100	5,150	392	1,743	2,050	392	1,743	2,050
5,150	5,200	396	1,760	2,070	398	1,760	2,070
5,200	5,250	400	1,777	2,090	400	1,777	2,090
5,250	5,300	404	1,794	2,110	404	1,794	2,110
5,300	5,350	407	1,811	2,130	407	1,811	2,130
5,350	5,400	412	1,828	2,150	412	1,828	2,150
5,400	5,450	412	1,845	2,170	412	1,845	2,170
5,450	5,500	412	1,862	2,190	412	1,862	2,190
5,500	5,550	412	1,879	2,210	412	1,879	2,210
5,550	5,600	412	1,896	2,230	412	1,896	2,230
5,600	5,650	412	1,913	2,250	412	1,913	2,250
5,650	5,700	412	1,930	2,270	412	1,930	2,270
5,700	5,750	412	1,947	2,290	412	1,947	2,290
5,750	5,800	412	1,964	2,310	412	1,964	2,310
5,800	5,850	412	1,981	2,330	412	1,981	2,330
5,850	5,900	412	1,998	2,350	412	1,998	2,350
5,900	5,950	412	2,015	2,370	412	2,015	2,370
5,950	6,000	412	2,032	2,390	412	2,032	2,390
6,000	6,050	412	2,049	2,410	412	2,049	2,410
6,050	6,100	412	2,068	2,430	412	2,066	2,430
6,100	6,150	412	2,083	2,450	412	2,083	2,450
6,150	6,200	412	2,100	2,470	412	2,100	2,470
6,200	6,250	412	2,117	2,490	412	2,117	2,490
6,250	6,300	412	2,134	2,510	412	2,134	2,510
6,300	6,350	412	2,151	2,530	412	2,151	2,530
6,350	6,400	412	2,168	2,550	412	2,168	2,550
6,400	6,450	412	2,185	2,570	412	2,185	2,570
6,450	6,500	412	2,202	2,590	412	2,202	2,590
6,500	6,550	412	2,219	2,610	412	2,219	2,610
6,550	6,600	412	2,236	2,630	412	2,236	2,630
6,600	6,650	412	2,253	2,650	412	2,253	2,650
6,650	6,700	412	2,270	2,670	412	2,270	2,670
6,700	6,750	412	2,287	2,690	412	2,287	2,690
6,750	6,800	409	2,304	2,710	412	2,304	2,710
6,800	6,850	405	2,321	2,730	412	2,321	2,730
6,850	6,900	401	2,338	2,750	412	2,338	2,750
6,900	6,950	397	2,355	2,770	412	2,355	2,770
6,950	7,000	394	2,372	2,790	412	2,372	2,790
7,000	7,050	390	2,389	2,810	412	2,389	2,810
7,050	7,100	386	2,406	2,830	412	2,406	2,830
7,100	7,150	382	2,423	2,850	412	2,423	2,850
7,150	7,200	378	2,440	2,870	412	2,440	2,870
7,200	7,250	374	2,457	2,890	412	2,457	2,890
7,250	7,300	371	2,474	2,910	412	2,474	2,910
7,300	7,350	367	2,491	2,930	412	2,491	2,930
7,350	7,400	363	2,508	2,950	412	2,508	2,950
7,400	7,450	359	2,525	2,970	412	2,525	2,970
7,450	7,500	355	2,542	2,990	412	2,542	2,990
7,500	7,550	352	2,559	3,010	412	2,559	3,010
7,550	7,600	348	2,578	3,030	412	2,576	3,030
7,600	7,650	344	2,593	3,050	412	2,593	3,050
7,650	7,700	340	2,610	3,070	412	2,610	3,070
7,700	7,750	336	2,627	3,090	412	2,627	3,090
7,750	7,800	332	2,644	3,110	412	2,644	3,110
7,800	7,850	329	2,661	3,130	412	2,661	3,130
7,850	7,900	325	2,678	3,150	412	2,678	3,150
7,900	7,950	321	2,695	3,170	412	2,695	3,170
7,950	8,000	317	2,712	3,190	412	2,712	3,190
8,000	8,050	313	2,729	3,210	412	2,728	3,210
8,050	8,100	309	2,747	3,230	412	2,747	3,230
8,100	8,150	306	2,747	3,250	412	2,747	3,250
8,150	8,200	302	2,747	3,270	412	2,747	3,270
8,200	8,250	298	2,747	3,290	412	2,747	3,290
8,250	8,300	294	2,747	3,310	412	2,747	3,310
8,300	8,350	290	2,747	3,330	412	2,747	3,330
8,350	8,400	286	2,747	3,350	412	2,747	3,350
8,400	8,450	283	2,747	3,370	412	2,747	3,370
8,450	8,500	279	2,747	3,390	412	2,747	3,390
8,500	8,550	275	2,747	3,410	412	2,747	3,410
8,550	8,600	271	2,747	3,430	412	2,747	3,430
8,600	8,650	267	2,747	3,450	412	2,747	3,450
8,650	8,700	264	2,747	3,470	412	2,747	3,470
8,700	8,750	260	2,747	3,490	412	2,747	3,490
8,750	8,800	256	2,747	3,510	409	2,747	3,510
8,800	8,850	252	2,747	3,530	405	2,747	3,530
8,850	8,900	248	2,747	3,550	401	2,747	3,550
8,900	8,950	244	2,747	3,570	397	2,747	3,570
8,950	9,000	241	2,747	3,590	394	2,747	3,590
9,000	9,050	237	2,747	3,610	390	2,747	3,610
9,050	9,100	233	2,747	3,630	388	2,747	3,630
9,100	9,150	229	2,747	3,650	382	2,747	3,650
9,150	9,200	225	2,747	3,670	378	2,747	3,670
9,200	9,250	221	2,747	3,690	374	2,747	3,690
9,250	9,300	218	2,747	3,710	371	2,747	3,710
9,300	9,350	214	2,747	3,730	367	2,747	3,730
9,350	9,400	210	2,747	3,750	363	2,747	3,750
9,400	9,450	206	2,747	3,770	359	2,747	3,770
9,450	9,500	202	2,747	3,790	355	2,747	3,790
9,500	9,550	199	2,747	3,810	352	2,747	3,810
9,550	9,600	195	2,747	3,830	348	2,747	3,830
9,600	9,650	191	2,747	3,850	344	2,747	3,850
9,650	9,700	187	2,747	3,870	340	2,747	3,870
9,700	9,750	183	2,747	3,890	336	2,747	3,890
9,750	9,800	179	2,747	3,910	332	2,747	3,910
9,800	9,850	176	2,747	3,930	329	2,747	3,930
9,850	9,900	172	2,747	3,950	325	2,747	3,950
9,900	9,950	168	2,747	3,970	321	2,747	3,970
9,950	10,000	164	2,747	3,990	317	2,747	3,990
10,000	10,050	160	2,747	4,010	313	2,747	4,010
10,050	10,100	156	2,747	4,030	309	2,747	4,030
10,100	10,150	153	2,747	4,050	306	2,747	4,050
10,150	10,200	149	2,747	4,070	302	2,747	4,070
10,200	10,250	145	2,747	4,090	298	2,747	4,090
10,250	10,300	141	2,747	4,110	294	2,747	4,110
10,300	10,350	137	2,747	4,130	290	2,747	4,130
10,350	10,400	133	2,747	4,150	286	2,747	4,150
10,400	10,450	130	2,747	4,170	283	2,747	4,170
10,450	10,500	126	2,747	4,190	279	2,747	4,190
10,500	10,550	122	2,747	4,210	275	2,747	4,210
10,550	10,600	118	2,747	4,230	271	2,747	4,230
10,600	10,650	114	2,747	4,250	267	2,747	4,250
10,650	10,700	111	2,747	4,270	264	2,747	4,270
10,700	10,750	107	2,747	4,290	260	2,747	4,290
10,750	10,800	103	2,747	4,310	256	2,747	4,310
10,800	10,850	99	2,747	4,330	252	2,747	4,330
10,850	10,900	95	2,747	4,350	248	2,747	4,350
10,900	10,950	91	2,747	4,370	244	2,747	4,370
10,950	11,000	88	2,747	4,390	241	2,747	4,390

(Continued on page 55)

Need more information or forms? See page 7.

2006 Earned Income Credit (EIC) Table–*Continued*

(Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is –		And your filing status is –					
		Single, head of household, or qualifying widow(er) and you have –			Married filing jointly and you have –		
		No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is –			Your credit is –		
11,000	11,050	64	2,747	4,410	237	2,747	4,410
11,050	11,100	80	2,747	4,430	233	2,747	4,430
11,100	11,150	76	2,747	4,450	229	2,747	4,450
11,150	11,200	72	2,747	4,470	225	2,747	4,470
11,200	11,250	68	2,747	4,490	221	2,747	4,490
11,250	11,300	65	2,747	4,510	218	2,747	4,510
11,300	11,350	61	2,747	4,536	214	2,747	4,536
11,350	11,400	57	2,747	4,536	210	2,747	4,536
11,400	11,450	53	2,747	4,536	206	2,747	4,536
11,450	11,500	49	2,747	4,536	202	2,747	4,536
11,500	11,550	46	2,747	4,536	199	2,747	4,536
11,550	11,600	42	2,747	4,536	195	2,747	4,536
11,600	11,650	38	2,747	4,536	191	2,747	4,536
11,650	11,700	34	2,747	4,536	187	2,747	4,536
11,700	11,750	30	2,747	4,536	183	2,747	4,536
11,750	11,800	26	2,747	4,536	179	2,747	4,536
11,800	11,850	23	2,747	4,536	176	2,747	4,536
11,850	11,900	19	2,747	4,536	172	2,747	4,536
11,900	11,950	15	2,747	4,536	168	2,747	4,536
11,950	12,000	11	2,747	4,536	164	2,747	4,536
12,000	12,050	7	2,747	4,536	160	2,747	4,538
12,050	12,100	3	2,747	4,536	156	2,747	4,536
12,100	12,150	*	2,747	4,536	153	2,747	4,536
12,150	12,200	0	2,747	4,536	149	2,747	4,536
12,200	12,250	0	2,747	4,536	145	2,747	4,538
12,250	12,300	0	2,747	4,536	141	2,747	4,536
12,300	12,350	0	2,747	4,536	137	2,747	4,536
12,350	12,400	0	2,747	4,536	133	2,747	4,536
12,400	12,450	0	2,747	4,536	130	2,747	4,536
12,450	12,500	0	2,747	4,536	126	2,747	4,536
12,500	12,550	0	2,747	4,536	122	2,747	4,536
12,550	12,600	0	2,747	4,536	118	2,747	4,536
12,600	12,650	0	2,747	4,538	114	2,747	4,536
12,650	12,700	0	2,747	4,536	111	2,747	4,536
12,700	12,750	0	2,747	4,536	107	2,747	4,536
12,750	12,800	0	2,747	4,536	103	2,747	4,536
12,800	12,850	0	2,747	4,536	99	2,747	4,536
12,850	12,900	0	2,747	4,536	95	2,747	4,536
12,900	12,950	0	2,747	4,536	91	2,747	4,536
12,950	13,000	0	2,747	4,536	88	2,747	4,536
13,000	13,050	0	2,747	4,536	84	2,747	4,536
13,050	13,100	0	2,747	4,536	80	2,747	4,536
13,100	13,150	0	2,747	4,536	76	2,747	4,536
13,150	13,200	0	2,747	4,536	72	2,747	4,536
13,200	13,250	0	2,747	4,536	68	2,747	4,536
13,250	13,300	0	2,747	4,536	65	2,747	4,536
13,300	13,350	0	2,747	4,536	61	2,747	4,536
13,350	13,400	0	2,747	4,536	57	2,747	4,536
13,400	13,450	0	2,747	4,536	53	2,747	4,536
13,450	13,500	0	2,747	4,536	49	2,747	4,536
13,500	13,550	0	2,747	4,536	46	2,747	4,536
13,550	13,600	0	2,747	4,536	42	2,747	4,536
13,600	13,650	0	2,747	4,536	38	2,747	4,536
13,650	13,700	0	2,747	4,536	34	2,747	4,536
13,700	13,750	0	2,747	4,536	30	2,747	4,536
13,750	13,800	0	2,747	4,536	26	2,747	4,536
13,800	13,850	0	2,747	4,536	23	2,747	4,536
13,850	13,900	0	2,747	4,536	19	2,747	4,536
13,900	13,950	0	2,747	4,536	15	2,747	4,536
13,950	14,000	0	2,747	4,536	11	2,747	4,536
14,000	14,050	0	2,747	4,536	7	2,747	4,538
14,050	14,100	0	2,747	4,536	3	2,747	4,536
14,100	14,150	0	2,747	4,536	*	2,747	4,538
14,150	14,200	0	2,747	4,536	0	2,747	4,536
14,200	14,250	0	2,747	4,536	0	2,747	4,538
14,250	14,300	0	2,747	4,536	0	2,747	4,536
14,300	14,350	0	2,747	4,536	0	2,747	4,536
14,350	14,400	0	2,747	4,536	0	2,747	4,536
14,400	14,450	0	2,747	4,536	0	2,747	4,536
14,450	14,500	0	2,747	4,536	0	2,747	4,536
14,500	14,550	0	2,747	4,536	0	2,747	4,536
14,550	14,600	0	2,747	4,536	0	2,747	4,536
14,600	14,650	0	2,747	4,536	0	2,747	4,536
14,650	14,700	0	2,747	4,536	0	2,747	4,536
14,700	14,750	0	2,747	4,536	0	2,747	4,536
14,750	14,800	0	2,747	4,536	0	2,747	4,536
14,800	14,850	0	2,747	4,536	0	2,747	4,536
14,850	14,900	0	2,737	4,522	0	2,747	4,536
14,900	14,950	0	2,729	4,512	0	2,747	4,536
14,950	15,000	0	2,721	4,501	0	2,747	4,536
15,000	15,050	0	2,713	4,491	0	2,747	4,536
15,050	15,100	0	2,705	4,480	0	2,747	4,536
15,100	15,150	0	2,697	4,470	0	2,747	4,536
15,150	15,200	0	2,689	4,459	0	2,747	4,536
15,200	15,250	0	2,681	4,449	0	2,747	4,536
15,250	15,300	0	2,673	4,438	0	2,747	4,536
15,300	15,350	0	2,665	4,428	0	2,747	4,536
15,350	15,400	0	2,657	4,417	0	2,747	4,536
15,400	15,450	0	2,649	4,406	0	2,747	4,536
15,450	15,500	0	2,641	4,396	0	2,747	4,536
15,500	15,550	0	2,633	4,385	0	2,747	4,536
15,550	15,600	0	2,625	4,375	0	2,747	4,536
15,600	15,650	0	2,617	4,364	0	2,747	4,536
15,650	15,700	0	2,609	4,354	0	2,747	4,536
15,700	15,750	0	2,601	4,343	0	2,747	4,536
15,750	15,800	0	2,593	4,333	0	2,747	4,536
15,800	15,850	0	2,585	4,322	0	2,747	4,536
15,850	15,900	0	2,577	4,312	0	2,747	4,536
15,900	15,950	0	2,569	4,301	0	2,747	4,536
15,950	16,000	0	2,561	4,291	0	2,747	4,536

(Continued on page 56)

*If the amount you are looking up from the worksheet is at least $12,100 ($14,100 if married filing jointly) but less than $12,120 ($14,120 if married filing jointly), your credit is $1. Otherwise, you cannot take the credit.

Need more information or forms? See page 7.

2006 Earned Income Credit (EIC) Table–*Continued*

(Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is –		And your filing status is –					
		Single, head of household, or qualifying widow(er) and you have –			Married filing jointly and you have –		
		No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is –			Your credit is –		
16,000	16,050	0	2,553	4,280	0	2,747	4,536
16,050	16,100	0	2,545	4,270	0	2,747	4,536
16,100	16,150	0	2,537	4,259	0	2,747	4,536
16,150	16,200	0	2,529	4,249	0	2,747	4,536
16,200	16,250	0	2,521	4,238	0	2,747	4,536
16,250	16,300	0	2,513	4,227	0	2,747	4,536
16,300	16,350	0	2,505	4,217	0	2,747	4,536
16,350	16,400	0	2,497	4,206	0	2,747	4,536
16,400	16,450	0	2,489	4,196	0	2,747	4,536
16,450	16,500	0	2,481	4,185	0	2,747	4,536
16,500	16,550	0	2,473	4,175	0	2,747	4,536
16,550	16,600	0	2,465	4,164	0	2,747	4,536
16,600	16,650	0	2,457	4,154	0	2,747	4,536
16,650	16,700	0	2,449	4,143	0	2,747	4,536
16,700	16,750	0	2,441	4,133	0	2,747	4,536
16,750	16,800	0	2,433	4,122	0	2,747	4,536
16,800	16,850	0	2,425	4,112	0	2,747	4,536
16,850	16,900	0	2,417	4,101	0	2,737	4,522
16,900	16,950	0	2,409	4,091	0	2,729	4,512
16,950	17,000	0	2,401	4,080	0	2,721	4,501
17,000	17,050	0	2,393	4,070	0	2,713	4,491
17,050	17,100	0	2,385	4,059	0	2,705	4,480
17,100	17,150	0	2,377	4,048	0	2,697	4,470
17,150	17,200	0	2,369	4,038	0	2,689	4,459
17,200	17,250	0	2,361	4,027	0	2,681	4,449
17,250	17,300	0	2,353	4,017	0	2,673	4,438
17,300	17,350	0	2,345	4,006	0	2,665	4,428
17,350	17,400	0	2,337	3,996	0	2,657	4,417
17,400	17,450	0	2,329	3,985	0	2,649	4,406
17,450	17,500	0	2,321	3,975	0	2,641	4,396
17,500	17,550	0	2,313	3,964	0	2,633	4,385
17,550	17,600	0	2,305	3,954	0	2,625	4,375
17,600	17,650	0	2,297	3,943	0	2,617	4,364
17,650	17,700	0	2,289	3,933	0	2,609	4,354
17,700	17,750	0	2,281	3,922	0	2,601	4,343
17,750	17,800	0	2,273	3,912	0	2,593	4,333
17,800	17,850	0	2,265	3,901	0	2,585	4,322
17,850	17,900	0	2,257	3,891	0	2,577	4,312
17,900	17,950	0	2,249	3,880	0	2,569	4,301
17,950	18,000	0	2,241	3,869	0	2,561	4,291
18,000	18,050	0	2,233	3,859	0	2,553	4,280
18,050	18,100	0	2,225	3,848	0	2,545	4,270
18,100	18,150	0	2,217	3,838	0	2,537	4,259
18,150	18,200	0	2,209	3,827	0	2,529	4,249
18,200	18,250	0	2,201	3,817	0	2,521	4,238
18,250	18,300	0	2,193	3,806	0	2,513	4,227
18,300	18,350	0	2,186	3,796	0	2,505	4,217
18,350	18,400	0	2,178	3,785	0	2,497	4,206
18,400	18,450	0	2,170	3,775	0	2,489	4,196
18,450	18,500	0	2,162	3,764	0	2,481	4,185
18,500	18,550	0	2,154	3,754	0	2,473	4,175
18,550	18,600	0	2,146	3,743	0	2,465	4,164
18,600	18,650	0	2,138	3,733	0	2,457	4,154
18,650	18,700	0	2,130	3,722	0	2,449	4,143
18,700	18,750	0	2,122	3,712	0	2,441	4,133
18,750	18,800	0	2,114	3,701	0	2,433	4,122
18,800	18,850	0	2,106	3,690	0	2,425	4,112
18,850	18,900	0	2,098	3,680	0	2,417	4,101
18,900	18,950	0	2,090	3,669	0	2,408	4,091
18,950	19,000	0	2,082	3,659	0	2,401	4,080
19,000	19,050	0	2,074	3,648	0	2,393	4,070
19,050	19,100	0	2,066	3,638	0	2,385	4,059
19,100	19,150	0	2,058	3,627	0	2,377	4,048
19,150	19,200	0	2,050	3,617	0	2,369	4,038
19,200	19,250	0	2,042	3,606	0	2,361	4,027
19,250	19,300	0	2,034	3,596	0	2,353	4,017
19,300	19,350	0	2,026	3,585	0	2,345	4,006
19,350	19,400	0	2,018	3,575	0	2,337	3,996
19,400	19,450	0	2,010	3,564	0	2,329	3,985
19,450	19,500	0	2,002	3,554	0	2,321	3,975
19,500	19,550	0	1,994	3,543	0	2,313	3,964
19,550	19,600	0	1,986	3,532	0	2,305	3,954
19,600	19,650	0	1,978	3,522	0	2,297	3,943
19,650	19,700	0	1,970	3,511	0	2,289	3,933
19,700	19,750	0	1,962	3,501	0	2,281	3,922
19,750	19,800	0	1,954	3,490	0	2,273	3,912
19,800	19,850	0	1,946	3,480	0	2,265	3,901
19,850	19,900	0	1,938	3,469	0	2,257	3,891
19,900	19,950	0	1,930	3,459	0	2,249	3,880
19,950	20,000	0	1,922	3,448	0	2,241	3,869
20,000	20,050	0	1,914	3,438	0	2,233	3,859
20,050	20,100	0	1,906	3,427	0	2,225	3,848
20,100	20,150	0	1,898	3,417	0	2,217	3,838
20,150	20,200	0	1,890	3,406	0	2,209	3,827
20,200	20,250	0	1,882	3,396	0	2,201	3,817
20,250	20,300	0	1,874	3,385	0	2,193	3,806
20,300	20,350	0	1,866	3,375	0	2,186	3,796
20,350	20,400	0	1,858	3,364	0	2,178	3,785
20,400	20,450	0	1,850	3,353	0	2,170	3,775
20,450	20,500	0	1,842	3,343	0	2,162	3,764
20,500	20,550	0	1,834	3,332	0	2,154	3,754
20,550	20,600	0	1,828	3,322	0	2,146	3,743
20,600	20,650	0	1,818	3,311	0	2,138	3,733
20,650	20,700	0	1,810	3,301	0	2,130	3,722
20,700	20,750	0	1,802	3,290	0	2,122	3,712
20,750	20,800	0	1,794	3,280	0	2,114	3,701
20,800	20,850	0	1,786	3,269	0	2,106	3,690
20,850	20,900	0	1,778	3,259	0	2,098	3,680
20,900	20,950	0	1,770	3,248	0	2,090	3,669
20,950	21,000	0	1,762	3,238	0	2,082	3,659
21,000	21,050	0	1,754	3,227	0	2,074	3,648
21,050	21,100	0	1,748	3,217	0	2,066	3,638
21,100	21,150	0	1,738	3,206	0	2,058	3,627
21,150	21,200	0	1,730	3,196	0	2,050	3,617
21,200	21,250	0	1,722	3,185	0	2,042	3,606
21,250	21,300	0	1,714	3,174	0	2,034	3,596
21,300	21,350	0	1,706	3,164	0	2,026	3,585
21,350	21,400	0	1,698	3,153	0	2,018	3,575
21,400	21,450	0	1,690	3,143	0	2,010	3,564
21,450	21,500	0	1,682	3,132	0	2,002	3,554
21,500	21,550	0	1,674	3,122	0	1,994	3,543
21,550	21,600	0	1,666	3,111	0	1,986	3,532
21,600	21,650	0	1,658	3,101	0	1,978	3,522
21,650	21,700	0	1,650	3,090	0	1,970	3,511
21,700	21,750	0	1,642	3,080	0	1,962	3,501
21,750	21,800	0	1,634	3,069	0	1,954	3,490
21,800	21,850	0	1,626	3,059	0	1,946	3,480
21,850	21,900	0	1,618	3,048	0	1,938	3,469
21,900	21,950	0	1,610	3,038	0	1,930	3,459
21,950	22,000	0	1,602	3,027	0	1,922	3,448

(Continued on page 57)

Need more information or forms? See page 7.

2006 Earned Income Credit (EIC) Table–*Continued*

(**Caution.** This is **not** a tax table.)

If the amount you are looking up from the worksheet is–		And your filing status is–					
		Single, head of household, or qualifying widow(er) and you have–			Married filing jointly and you have–		
		No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is–			Your credit is–		
22,000	22,050	0	1,594	3,017	0	1,914	3,438
22,050	22,100	0	1,586	3,006	0	1,906	3,427
22,100	22,150	0	1,578	2,995	0	1,898	3,417
22,150	22,200	0	1,570	2,985	0	1,890	3,406
22,200	22,250	0	1,562	2,974	0	1,882	3,396
22,250	22,300	0	1,554	2,964	0	1,874	3,385
22,300	22,350	0	1,548	2,953	0	1,866	3,375
22,350	22,400	0	1,538	2,943	0	1,858	3,364
22,400	22,450	0	1,530	2,932	0	1,850	3,353
22,450	22,500	0	1,522	2,922	0	1,842	3,343
22,500	22,550	0	1,514	2,911	0	1,834	3,332
22,550	22,600	0	1,506	2,901	0	1,828	3,322
22,600	22,650	0	1,498	2,890	0	1,818	3,311
22,650	22,700	0	1,490	2,880	0	1,810	3,301
22,700	22,750	0	1,482	2,869	0	1,802	3,290
22,750	22,800	0	1,474	2,859	0	1,794	3,280
22,800	22,850	0	1,466	2,848	0	1,786	3,269
22,850	22,900	0	1,458	2,838	0	1,778	3,259
22,900	22,950	0	1,450	2,827	0	1,770	3,248
22,950	23,000	0	1,442	2,816	0	1,762	3,238
23,000	23,050	0	1,434	2,808	0	1,754	3,227
23,050	23,100	0	1,426	2,795	0	1,746	3,217
23,100	23,150	0	1,418	2,785	0	1,738	3,206
23,150	23,200	0	1,410	2,774	0	1,730	3,196
23,200	23,250	0	1,402	2,764	0	1,722	3,185
23,250	23,300	0	1,394	2,753	0	1,714	3,174
23,300	23,350	0	1,387	2,743	0	1,706	3,164
23,350	23,400	0	1,379	2,732	0	1,698	3,153
23,400	23,450	0	1,371	2,722	0	1,690	3,143
23,450	23,500	0	1,363	2,711	0	1,682	3,132
23,500	23,550	0	1,355	2,701	0	1,674	3,122
23,550	23,600	0	1,347	2,690	0	1,668	3,111
23,600	23,650	0	1,339	2,680	0	1,658	3,101
23,650	23,700	0	1,331	2,669	0	1,650	3,090
23,700	23,750	0	1,323	2,659	0	1,642	3,080
23,750	23,800	0	1,315	2,648	0	1,634	3,069
23,800	23,850	0	1,307	2,637	0	1,626	3,059
23,850	23,900	0	1,299	2,627	0	1,618	3,048
23,900	23,950	0	1,291	2,616	0	1,610	3,038
23,950	24,000	0	1,283	2,606	0	1,602	3,027
24,000	24,050	0	1,275	2,595	0	1,594	3,017
24,050	24,100	0	1,267	2,585	0	1,586	3,006
24,100	24,150	0	1,259	2,574	0	1,578	2,995
24,150	24,200	0	1,251	2,564	0	1,570	2,985
24,200	24,250	0	1,243	2,553	0	1,562	2,974
24,250	24,300	0	1,235	2,543	0	1,554	2,964
24,300	24,350	0	1,227	2,532	0	1,548	2,953
24,350	24,400	0	1,219	2,522	0	1,538	2,943
24,400	24,450	0	1,211	2,511	0	1,530	2,932
24,450	24,500	0	1,203	2,501	0	1,522	2,922
24,500	24,550	0	1,195	2,490	0	1,514	2,911
24,550	24,600	0	1,187	2,479	0	1,506	2,901
24,600	24,650	0	1,179	2,469	0	1,498	2,890
24,650	24,700	0	1,171	2,458	0	1,490	2,880
24,700	24,750	0	1,163	2,448	0	1,482	2,869
24,750	24,800	0	1,155	2,437	0	1,474	2,859
24,800	24,850	0	1,147	2,427	0	1,466	2,848
24,850	24,900	0	1,139	2,416	0	1,458	2,838
24,900	24,950	0	1,131	2,406	0	1,450	2,827
24,950	25,000	0	1,123	2,395	0	1,442	2,816

If the amount you are looking up from the worksheet is–		And your filing status is–					
		Single, head of household, or qualifying widow(er) and you have–			Married filing jointly and you have–		
		No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is–			Your credit is–		
25,000	25,050	0	1,115	2,385	0	1,434	2,808
25,050	25,100	0	1,107	2,374	0	1,426	2,795
25,100	25,150	0	1,098	2,364	0	1,418	2,785
25,150	25,200	0	1,091	2,353	0	1,410	2,774
25,200	25,250	0	1,083	2,343	0	1,402	2,764
25,250	25,300	0	1,075	2,332	0	1,394	2,753
25,300	25,350	0	1,067	2,322	0	1,387	2,743
25,350	25,400	0	1,058	2,311	0	1,379	2,732
25,400	25,450	0	1,051	2,300	0	1,371	2,722
25,450	25,500	0	1,043	2,290	0	1,363	2,711
25,500	25,550	0	1,035	2,279	0	1,355	2,701
25,550	25,600	0	1,027	2,269	0	1,347	2,690
25,600	25,650	0	1,019	2,258	0	1,339	2,680
25,650	25,700	0	1,011	2,248	0	1,331	2,669
25,700	25,750	0	1,003	2,237	0	1,323	2,659
25,750	25,800	0	995	2,227	0	1,315	2,648
25,800	25,850	0	987	2,216	0	1,307	2,637
25,850	25,900	0	979	2,206	0	1,299	2,627
25,900	25,950	0	971	2,195	0	1,291	2,616
25,950	26,000	0	963	2,185	0	1,283	2,606
26,000	26,050	0	955	2,174	0	1,275	2,595
26,050	26,100	0	947	2,164	0	1,267	2,585
26,100	26,150	0	939	2,153	0	1,259	2,574
26,150	26,200	0	931	2,143	0	1,251	2,564
26,200	26,250	0	923	2,132	0	1,243	2,553
26,250	26,300	0	915	2,121	0	1,235	2,543
26,300	26,350	0	907	2,111	0	1,227	2,532
26,350	26,400	0	899	2,100	0	1,219	2,522
26,400	26,450	0	891	2,090	0	1,211	2,511
26,450	26,500	0	883	2,079	0	1,203	2,501
26,500	26,550	0	875	2,069	0	1,195	2,490
26,550	26,600	0	867	2,058	0	1,187	2,479
26,600	26,650	0	859	2,048	0	1,179	2,469
26,650	26,700	0	851	2,037	0	1,171	2,458
26,700	26,750	0	843	2,027	0	1,163	2,448
26,750	26,800	0	835	2,016	0	1,155	2,437
26,800	26,850	0	827	2,006	0	1,147	2,427
26,850	26,900	0	819	1,995	0	1,139	2,416
26,900	26,950	0	811	1,985	0	1,131	2,406
26,950	27,000	0	803	1,974	0	1,123	2,395
27,000	27,050	0	795	1,964	0	1,115	2,385
27,050	27,100	0	787	1,953	0	1,107	2,374
27,100	27,150	0	779	1,942	0	1,099	2,364
27,150	27,200	0	771	1,932	0	1,091	2,353
27,200	27,250	0	763	1,921	0	1,083	2,343
27,250	27,300	0	755	1,911	0	1,075	2,332
27,300	27,350	0	747	1,900	0	1,067	2,322
27,350	27,400	0	739	1,890	0	1,059	2,311
27,400	27,450	0	731	1,879	0	1,051	2,300
27,450	27,500	0	723	1,869	0	1,043	2,290
27,500	27,550	0	715	1,858	0	1,035	2,279
27,550	27,600	0	707	1,848	0	1,027	2,269
27,600	27,650	0	699	1,837	0	1,019	2,258
27,650	27,700	0	691	1,827	0	1,011	2,248
27,700	27,750	0	683	1,816	0	1,003	2,237
27,750	27,800	0	675	1,806	0	995	2,227
27,800	27,850	0	667	1,795	0	987	2,216
27,850	27,900	0	659	1,785	0	979	2,206
27,900	27,950	0	651	1,774	0	971	2,195
27,950	28,000	0	643	1,763	0	963	2,185

(Continued on page 58)

Need more information or forms? See page 7.

2006 Earned Income Credit (EIC) Table–*Continued*

(**Caution.** This is **not** a tax table.)

If the amount you are looking up from the worksheet is–		And your filing status is–					
		Single, head of household, or qualifying widow(er) and you have–			Married filing jointly and you have–		
		No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is–			Your credit is–		
28,000	28,050	0	635	1,753	0	855	2,174
28,050	28,100	0	627	1,742	0	947	2,164
28,100	28,150	0	819	1,732	0	838	2,153
28,150	28,200	0	611	1,721	0	831	2,143
28,200	28,250	0	803	1,711	0	923	2,132
28,250	28,300	0	595	1,700	0	915	2,121
28,300	28,350	0	588	1,690	0	907	2,111
28,350	28,400	0	580	1,879	0	899	2,100
28,400	28,450	0	572	1,669	0	891	2,080
28,450	28,500	0	564	1,658	0	883	2,079
28,500	28,550	0	556	1,648	0	875	2,069
28,550	28,600	0	548	1,637	0	867	2,058
28,600	28,650	0	540	1,627	0	859	2,048
28,650	28,700	0	532	1,616	0	851	2,037
28,700	28,750	0	524	1,606	0	843	2,027
28,750	28,800	0	516	1,595	0	835	2,016
28,800	28,850	0	508	1,584	0	827	2,006
28,850	28,900	0	500	1,574	0	819	1,995
28,900	28,950	0	492	1,583	0	811	1,985
28,950	29,000	0	484	1,553	0	803	1,974
29,000	29,050	0	476	1,542	0	795	1,964
29,050	29,100	0	468	1,532	0	787	1,953
29,100	29,150	0	460	1,521	0	779	1,942
29,150	29,200	0	452	1,511	0	771	1,932
29,200	29,250	0	444	1,500	0	763	1,921
29,250	29,300	0	436	1,490	0	755	1,911
29,300	29,350	0	428	1,479	0	747	1,900
29,350	29,400	0	420	1,469	0	739	1,890
29,400	29,450	0	412	1,458	0	731	1,879
29,450	29,500	0	404	1,448	0	723	1,869
29,500	29,550	0	396	1,437	0	715	1,858
29,550	29,600	0	388	1,428	0	707	1,848
29,600	29,650	0	380	1,416	0	899	1,837
29,650	29,700	0	372	1,405	0	691	1,827
29,700	29,750	0	364	1,395	0	683	1,818
29,750	29,800	0	356	1,384	0	675	1,806
29,800	29,850	0	348	1,374	0	667	1,795
29,850	29,900	0	340	1,363	0	659	1,785
29,900	29,950	0	332	1,353	0	651	1,774
29,950	30,000	0	324	1,342	0	643	1,763
30,000	30,050	0	316	1,332	0	635	1,753
30,050	30,100	0	308	1,321	0	627	1,742
30,100	30,150	0	300	1,311	0	619	1,732
30,150	30,200	0	292	1,300	0	611	1,721
30,200	30,250	0	284	1,290	0	603	1,711
30,250	30,300	0	276	1,279	0	595	1,700
30,300	30,350	0	268	1,269	0	588	1,690
30,350	30,400	0	260	1,258	0	580	1,679
30,400	30,450	0	252	1,247	0	572	1,669
30,450	30,500	0	244	1,237	0	564	1,658
30,500	30,550	0	236	1,226	0	556	1,648
30,550	30,600	0	228	1,216	0	548	1,637
30,600	30,650	0	220	1,205	0	540	1,627
30,650	30,700	0	212	1,195	0	532	1,616
30,700	30,750	0	204	1,184	0	524	1,606
30,750	30,800	0	196	1,174	0	516	1,595
30,800	30,850	0	188	1,163	0	508	1,584
30,850	30,900	0	180	1,153	0	500	1,574
30,900	30,950	0	172	1,142	0	492	1,563
30,950	31,000	0	164	1,132	0	484	1,553

If the amount you are looking up from the worksheet is–		And your filing status is–					
		Single, head of household, or qualifying widow(er) and you have–			Married filing jointly and you have–		
		No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is–			Your credit is–		
31,000	31,050	0	156	1,121	0	478	1,542
31,050	31,100	0	148	1,111	0	468	1,532
31,100	31,150	0	140	1,100	0	460	1,521
31,150	31,200	0	132	1,090	0	452	1,511
31,200	31,250	0	124	1,078	0	444	1,500
31,250	31,300	0	118	1,068	0	436	1,490
31,300	31,350	0	108	1,058	0	428	1,478
31,350	31,400	0	100	1,047	0	420	1,469
31,400	31,450	0	92	1,037	0	412	1,458
31,450	31,500	0	84	1,026	0	404	1,448
31,500	31,550	0	78	1,016	0	396	1,437
31,550	31,600	0	68	1,005	0	388	1,428
31,600	31,650	0	60	995	0	380	1,416
31,650	31,700	0	52	984	0	372	1,405
31,700	31,750	0	44	974	0	384	1,395
31,750	31,800	0	36	963	0	356	1,384
31,800	31,850	0	28	953	0	348	1,374
31,850	31,900	0	20	842	0	340	1,363
31,900	31,950	0	12	932	0	332	1,353
31,950	32,000	0	4	921	0	324	1,342
32,000	32,050	0	0	811	0	316	1,332
32,050	32,100	0	0	900	0	308	1,321
32,100	32,150	0	0	889	0	300	1,311
32,150	32,200	0	0	879	0	292	1,300
32,200	32,250	0	0	868	0	284	1,290
32,250	32,300	0	0	858	0	278	1,279
32,300	32,350	0	0	847	0	268	1,269
32,350	32,400	0	0	837	0	260	1,258
32,400	32,450	0	0	826	0	252	1,247
32,450	32,500	0	0	818	0	244	1,237
32,500	32,550	0	0	805	0	236	1,226
32,550	32,600	0	0	795	0	228	1,216
32,600	32,650	0	0	784	0	220	1,205
32,650	32,700	0	0	774	0	212	1,195
32,700	32,750	0	0	763	0	204	1,184
32,750	32,800	0	0	753	0	196	1,174
32,800	32,850	0	0	742	0	188	1,163
32,850	32,900	0	0	732	0	180	1,153
32,900	32,950	0	0	721	0	172	1,142
32,950	33,000	0	0	710	0	164	1,132
33,000	33,050	0	0	700	0	156	1,121
33,050	33,100	0	0	689	0	148	1,111
33,100	33,150	0	0	679	0	140	1,100
33,150	33,200	0	0	668	0	132	1,090
33,200	33,250	0	0	658	0	124	1,079
33,250	33,300	0	0	647	0	116	1,068
33,300	33,350	0	0	637	0	108	1,058
33,350	33,400	0	0	626	0	100	1,047
33,400	33,450	0	0	616	0	92	1,037
33,450	33,500	0	0	605	0	84	1,026
33,500	33,550	0	0	595	0	78	1,016
33,550	33,600	0	0	584	0	68	1,005
33,600	33,650	0	0	574	0	60	995
33,650	33,700	0	0	563	0	52	984
33,700	33,750	0	0	553	0	44	974
33,750	33,800	0	0	542	0	36	963
33,800	33,850	0	0	531	0	28	953
33,850	33,900	0	0	521	0	20	942
33,900	33,950	0	0	510	0	12	932
33,950	34,000	0	0	500	0	4	921

(Continued on page 59)

Need more information or forms? See page 7.

2006 Earned Income Credit (EIC) Table–*Continued*

(**Caution.** This is **not** a tax table.)

If the amount you are looking up from the worksheet is –		And your filing status is – Single, head of household, or qualifying widow(er) and you have			Married filing jointly and you have		
		No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is –					
34,000	34,050	0	0	489	0	0	911
34,050	34,100	0	0	479	0	0	900
34,100	34,150	0	0	468	0	0	889
34,150	34,200	0	0	458	0	0	879
34,200	34,250	0	0	447	0	0	868
34,250	34,300	0	0	437	0	0	858
34,300	34,350	0	0	426	0	0	847
34,350	34,400	0	0	416	0	0	837
34,400	34,450	0	0	405	0	0	826
34,450	34,500	0	0	395	0	0	816
34,500	34,550	0	0	384	0	0	805
34,550	34,600	0	0	373	0	0	795
34,600	34,650	0	0	363	0	0	784
34,650	34,700	0	0	352	0	0	774
34,700	34,750	0	0	342	0	0	763
34,750	34,800	0	0	331	0	0	753
34,800	34,850	0	0	321	0	0	742
34,850	34,900	0	0	310	0	0	732
34,900	34,950	0	0	300	0	0	721
34,950	35,000	0	0	289	0	0	710
35,000	35,050	0	0	279	0	0	700
35,050	35,100	0	0	268	0	0	689
35,100	35,150	0	0	258	0	0	679
35,150	35,200	0	0	247	0	0	668
35,200	35,250	0	0	237	0	0	658
35,250	35,300	0	0	226	0	0	647
35,300	35,350	0	0	216	0	0	637
35,350	35,400	0	0	205	0	0	626
35,400	35,450	0	0	194	0	0	816
35,450	35,500	0	0	184	0	0	605
35,500	35,550	0	0	173	0	0	595
35,550	35,600	0	0	163	0	0	584
35,600	35,650	0	0	152	0	0	574
35,650	35,700	0	0	142	0	0	563
35,700	35,750	0	0	131	0	0	553
35,750	35,800	0	0	121	0	0	542
35,800	35,850	0	0	110	0	0	531
35,850	35,900	0	0	100	0	0	521
35,900	35,950	0	0	89	0	0	510
35,950	36,000	0	0	79	0	0	500
36,000	36,050	0	0	68	0	0	489
36,050	36,100	0	0	58	0	0	479
36,100	36,150	0	0	47	0	0	468
36,150	36,200	0	0	37	0	0	458
36,200	36,250	0	0	26	0	0	447
36,250	36,300	0	0	15	0	0	437
36,300	36,350	0	0	**	0	0	426
36,350	36,400	0	0	0	0	0	416
36,400	36,450	0	0	0	0	0	405
36,450	36,500	0	0	0	0	0	395

If the amount you are looking up from the worksheet is –		And your filing status is – Single, head of household, or qualifying widow(er) and you have			Married filing jointly and you have		
		No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is –					
36,500	36,550	0	0	0	0	0	384
36,550	36,600	0	0	0	0	0	373
36,600	36,650	0	0	0	0	0	363
36,650	36,700	0	0	0	0	0	352
36,700	36,750	0	0	0	0	0	342
36,750	36,800	0	0	0	0	0	331
36,800	36,850	0	0	0	0	0	321
36,850	36,900	0	0	0	0	0	310
36,900	36,950	0	0	0	0	0	300
36,950	37,000	0	0	0	0	0	289
37,000	37,050	0	0	0	0	0	279
37,050	37,100	0	0	0	0	0	268
37,100	37,150	0	0	0	0	0	258
37,150	37,200	0	0	0	0	0	247
37,200	37,250	0	0	0	0	0	237
37,250	37,300	0	0	0	0	0	226
37,300	37,350	0	0	0	0	0	216
37,350	37,400	0	0	0	0	0	205
37,400	37,450	0	0	0	0	0	194
37,450	37,500	0	0	0	0	0	184
37,500	37,550	0	0	0	0	0	173
37,550	37,600	0	0	0	0	0	163
37,600	37,650	0	0	0	0	0	152
37,650	37,700	0	0	0	0	0	142
37,700	37,750	0	0	0	0	0	131
37,750	37,800	0	0	0	0	0	121
37,800	37,850	0	0	0	0	0	110
37,850	37,900	0	0	0	0	0	100
37,900	37,950	0	0	0	0	0	89
37,950	38,000	0	0	0	0	0	79
38,000	38,050	0	0	0	0	0	68
38,050	38,100	0	0	0	0	0	58
38,100	38,150	0	0	0	0	0	47
38,150	38,200	0	0	0	0	0	37
38,200	38,250	0	0	0	0	0	26
38,250	38,300	0	0	0	0	0	15
38,300	38,348	0	0	0	0	0	5
38,348	or more	0	0	0	0	0	0

**If the amount you are looking up from the worksheet is at least $36,300 but less than $36,348, your credit is $5. Otherwise, you cannot take the credit.

Need more information or forms? See page 7.

Line 67

Excess Social Security and Tier 1 RRTA Tax Withheld

If you, or your spouse if filing a joint return, had more than one employer for 2006 and total wages of more than $94,200, too much social security or tier 1 railroad retirement (RRTA) tax may have been withheld. You can take a credit on this line for the amount withheld in excess of $5,840.40. But if any one employer withheld more than $5,840.40, you cannot claim the excess on your return. The employer should adjust the tax for you. If the employer does not adjust the overcollection, you can file a claim for refund using Form 843. Figure this amount separately for you and your spouse.

You cannot claim a refund for excess tier 2 RRTA tax on Form 1040. Instead, use Form 843.

For more details, see Pub. 505.

Line 68

Additional Child Tax Credit

What Is the Additional Child Tax Credit?

This credit is for certain people who have at least one qualifying child as defined in the instructions for line 6c on page 19. The additional child tax credit may give you a refund even if you do not owe any tax.

Two Steps To Take the Additional Child Tax Credit!

Step 1. Be sure you figured the amount, if any, of your child tax credit. See the instructions for line 53 that begin on page 42.

Step 2. Read the TIP at the end of your Child Tax Credit Worksheet. Use Form 8812 to see if you can take the additional child tax credit, but only if you meet the condition given in that TIP.

Line 69

Amount Paid With Request for Extension To File

If you filed Form 4868 to get an automatic extension of time to file Form 1040, enter any amount you paid with that form or by electronic funds withdrawal or credit card. If you paid by credit card, do not include on line 69 the convenience fee you were charged. Also, include any amounts paid with Form 2350.

Line 70

Check the box(es) on line 70 to report any credit from Form 2439, 4136, or 8885.

Line 71

Credit for Federal Telephone Excise Tax Paid

If you were billed after February 28, 2003, and before August 1, 2006, for the federal telephone excise tax on long distance or bundled service, you may be able to request a credit for the tax paid. You had bundled service if your local and long distance service was provided under a plan that does not separately state the charge for local service.

You cannot request the credit if you have already received a credit or refund from your service provider. If you request the credit, you cannot ask your service provider for a credit or refund and must withdraw any request previously submitted to your provider.

You can request the standard amount or the actual amount you paid. If you believe you paid more than the standard amount, it can be to your benefit to request the actual amount. If you request the actual amount paid, you must attach Form 8913 showing the amount paid and keep records to substantiate the amount. If you were a sole proprietor, farmer, or lessor of rental real estate, you may be able to estimate your actual expenses. See Form 8913 for details.

Standard amount. The standard amount you can request depends on the number of exemptions you claimed on line 6d. The standard amounts, which include both the tax paid and interest owed on that tax, are shown in the following table.

IF the number of exemptions you claimed is ...	THEN the standard amount is ...
0	$0*
1	30
2	40
3	50
4 or more	60

* Even though your standard amount is zero, you can request the actual amount paid on Form 8913.

If you request the standard amount and you later want to change it to the actual amount, you must file an amended return.

If you request the standard amount, you do not have to include the credit in income for any tax year.

Refund

Line 73

Amount Overpaid

If line 73 is under $1, we will send a refund only on written request.

If you want to check the status of your refund, please wait at least 6 weeks (3 weeks if you filed electronically) from the date you filed your return to do so. But if you filed Form 8379 with your return, allow 14 weeks (11 weeks if you filed electronically). See page 8 for details.

TIP *If the amount you overpaid is large, you may want to decrease the amount of income tax withheld from your pay by filing a new Form W-4. See* Income Tax Withholding and Estimated Tax Payments for 2007 *on page 64.*

Refund Offset

If you owe past-due federal tax, state income tax, child support, spousal support, or certain federal nontax debts, such as student loans, all or part of the overpayment on line 73 may be used (offset) to pay the past-due amount. Offsets for federal taxes are made by the IRS. All other offsets are made by the Treasury Department's Financial Management Service (FMS). For federal tax offsets, you will receive a notice from the IRS. For all other offsets, you will receive a notice from FMS. To find out if you may have an offset or if you have any questions about it, contact the agency to which you owe the debt.

Injured Spouse

If you file a joint return and your spouse has not paid past-due federal tax, state income tax, child support, spousal support, or a federal nontax debt, such as a student loan, part or all of the overpayment on line 73 may be used (offset) to pay the past-due amount. But your part of the overpayment may be refunded to you if certain conditions apply and you complete Form 8379. For details, use TeleTax topic 203 (see page 8) or see Form 8379.

Need more information or forms? See page 7.

Lines 74a Through 74d

DIRECT DEPOSIT
Simple. Safe. Secure.

Fast Refunds! Choose direct deposit—a fast, simple, safe, secure way to have your refund deposited automatically to your checking or savings account, including an individual retirement arrangement (IRA). See the information about IRAs on this page.

Why Use Direct Deposit?

- You get your refund fast—in half the time as paper filers if you *e-file*.
- Payment is more secure—there is no check to get lost.
- More convenient. No trip to the bank to deposit your check.
- Saves tax dollars. A refund by direct deposit costs less than a check.

If you want us to directly deposit the amount shown on line 74a to your checking or savings account, including an IRA, at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) in the United States:

- Check the box on line 74a and attach Form 8888 if you want to split the direct deposit of your refund among two or three accounts, or
- Complete lines 74b through 74d if you want your refund deposited to only one account.

Otherwise, we will send you a check.

Note. If you do not want your refund directly deposited to your account, do not check the box on line 74a. Draw a line through the boxes on lines 74b and 74d.

CAUTION *The IRS is not responsible for a lost refund if you enter the wrong account information. Check with your financial institution to get the* ***correct*** *routing and account numbers and to make sure your direct deposit will be accepted.*

If you file a joint return and check the box on line 74a and attach Form 8888 or fill in lines 74b through 74d, you are allowing your spouse to receive the refund on your behalf. This cannot be changed later.

If the direct deposit to your account(s) is different from the amount you expected, you will receive an explanation in the mail about 2 weeks after your refund is deposited.

Line 74a

If you want to split the direct deposit of your refund among two or three accounts, check the box on line 74a and attach Form 8888. You cannot split your refund if Form 8379 is filed with your return. If you want your refund deposited to only one account, do not check the box on line 74a, but instead complete lines 74b through 74d.

Line 74b

The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check sent instead. On the sample check below, the routing number is 250250025.

Your check may state that it is payable through a financial institution different from the one at which you have your checking account. If so, do not use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter on line 74b.

Line 74c

Check the appropriate box for the type of account. Do not check more than one box.

If the deposit is to an IRA, check the "Savings" box.

Line 74d

The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check below, the account number is 20202086. Do not include the check number.

CAUTION *Some financial institutions will not allow a joint refund to be deposited to an individual account. If the direct deposit is rejected, a check will be sent instead. The IRS is not responsible if a financial institution rejects a direct deposit.*

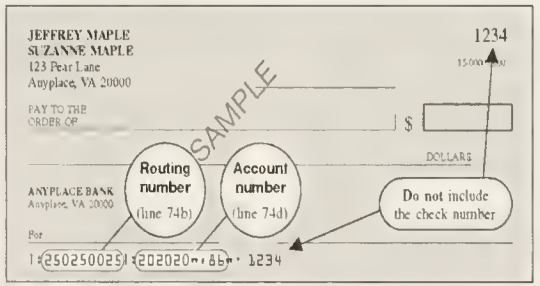
Individual Retirement Arrangement (IRA)

You can have your refund directly deposited to a traditional IRA, Roth IRA, or SEP-IRA, but not a SIMPLE IRA. You must establish the IRA at a bank or other financial institution before you request direct deposit. Make sure your direct deposit will be accepted. You must also notify the trustee of your account of the year to which the deposit is to be applied. If you do not, the trustee can assume the deposit is for the year during which you are filing the return. For example, if you file your 2006 return during 2007 and do not notify the trustee in advance, the trustee can assume the deposit to your IRA is for 2007. If you designate your deposit to be for 2006, you must verify that the deposit was actually made to the account by the due date of the return (without regard to extensions). If the deposit is not made to your account by the due date of the return (without regard to extensions), the deposit is not an IRA contribution for 2006. You must file an amended 2006 return and reduce any IRA deduction and any retirement savings contributions credit you claimed.

CAUTION *You and your spouse, if filing jointly, each may be able to contribute up to $4,000 ($5,000 if age 50 or older at the end of 2006) to a traditional IRA or Roth IRA for 2006. You may owe a penalty if your contributions exceed these limits.*

TIP *For more information on IRAs, see Pub. 590, Individual Retirement Arrangements (IRAs).*

Sample Check—Lines 74b Through 74d



CAUTION *The routing and account numbers may be in different places on your check.*

Line 75

Applied to Your 2007 Estimated Tax

Enter on line 75 the amount, if any, of the overpayment on line 73 you want applied

Need more information or forms? See page 7.

to your 2007 estimated tax. We will apply this amount to your account unless you attach a statement requesting us to apply it to your spouse's account. Include your spouse's social security number in the attached statement.

CAUTION *This election to apply part or all of the amount overpaid to your 2007 estimated tax cannot be changed later.*

Amount You Owe

e-file IRS *e-file* offers an additional payment option: Electronic funds withdrawal. This option allows you to file your return early and schedule your payment for withdrawal from your checking or savings account on a future date up to and including April 16, 2007 (April 17, 2007, if you live in Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont, or the District of Columbia). Visit *www.irs.gov/efile* for details.

Line 76

Amount You Owe

TIP *To save interest and penalties, pay your taxes in full by April 16, 2007 (April 17, 2007, if you live in Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont, or the District of Columbia). You do not have to pay if line 76 is under $1.*

Include any estimated tax penalty from line 77 in the amount you enter on line 76.

You can pay by check, money order, or credit card. Do not include any estimated tax payment for 2007 in your check, money order, or amount you charge. Instead, make the estimated tax payment separately.

To pay by check or money order. Make your check or money order payable to the "United States Treasury" for the full amount due. Do not send cash. Do not attach the payment to your return. Write "2006 Form 1040" and your name, address, daytime phone number, and social security number (SSN) on your payment. If you are filing a joint return, enter the SSN shown first on your tax return.

To help process your payment, enter the amount on the right side of the check like this: $ XXX.XX. Do not use dashes or lines (for example, do not enter "$ XXX–" or "$ XXX$^{00}_{100}$").

Then, complete Form 1040-V following the instructions on that form and enclose it in the envelope with your tax return and payment. Although you do not have to use Form 1040-V, doing so allows us to process your payment more accurately and efficiently.

To pay by credit card. You can use your American Express® Card, Discover® Card, MasterCard® card, or Visa® card. To pay by credit card, call toll-free or visit the website of either service provider listed below and follow the instructions. A convenience fee will be charged by the service provider based on the amount you are paying. Fees may vary between the providers. You will be told what the fee is during the transaction and you will have the option to either continue or cancel the transaction. You can also find out what the fee will be by calling the provider's toll-free automated customer service number or visiting the provider's website shown below. If you pay by credit card before filing your return, enter on page 1 of Form 1040 in the upper left corner the confirmation number you were given at the end of the transaction and the amount you charged (not including the convenience fee).

Official Payments Corporation
1-800-2PAY-TAX℠ (1-800-272-9829)
1-877-754-4413 (Customer Service)
www.officialpayments.com

Link2Gov Corporation
1-888-PAY-1040℠ (1-888-729-1040)
1-888-658-5465 (Customer Service)
www.PAY1040.com

TIP *You may need to (a) increase the amount of income tax withheld from your pay by filing a new Form W-4, or (b) make estimated tax payments for 2007. See* Income Tax Withholding and Estimated Tax Payments for 2007 *on page 64.*

What If You Cannot Pay?

If you cannot pay the full amount shown on line 76 when you file, you can ask to make monthly installment payments for the full or a partial amount. You may have up to 60 months to pay. However, even if your request to pay in installments is granted, you will be charged interest and may be charged a late payment penalty on the tax not paid by April 16, 2007 (April 17, 2007, if you live in Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont, or the District of Columbia). You must also pay a fee. To limit the interest and penalty charges, pay as much of the tax as possible when you file. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan or credit card payment.

To ask for an installment agreement, you can apply online or use Form 9465. To apply online, go to *www.irs.gov*, use the pull-down menu under "I need to..." and select "Set Up a Payment Plan." If you use Form 9465, you should receive a response to your request to make installment payments within 30 days. But if you file your return after March 31, it may take us longer to reply.

Line 77

Estimated Tax Penalty

You may owe this penalty if:

- Line 76 is at least $1,000 and it is more than 10% of the tax shown on your return, or
- You did not pay enough estimated tax by any of the due dates. This is true even if you are due a refund.

For most people, the "tax shown on your return" is the amount on your 2006 Form 1040, line 63, minus the total of any amounts shown on lines 66a and 68 and Forms 8828, 4137, 4136, 5329 (Parts III through VIII only), and 8885. Also subtract from line 63 any tax on an excess parachute payment and any excise tax on insider stock compensation of an expatriated corporation. When figuring the amount on line 63, include the amount on line 62 only if line 64 is more than zero or you would owe the penalty even if you did not include those taxes. But if you entered an amount on Schedule H, line 7, include the total of that amount plus the amount on Form 1040, line 62.

Exception. You will not owe the penalty if your 2005 tax return was for a tax year of 12 full months and either of the following applies.

1. You had no tax shown on your 2005 return and you were a U.S. citizen or resident for all of 2005, or
2. The total of lines 64, 65, and 67 on your 2006 return is at least 100% of the tax shown on your 2005 return (110% of that amount if you are not a farmer or fisherman and your adjusted gross income shown on that return is more than $150,000, or if married filing separately for 2006, more than $75,000). Your estimated tax payments for 2006 must have been made on time and for the required amount.

For most people, the "tax shown on your 2005 return" is the amount on your 2005 Form 1040, line 63, minus the total of any amounts shown on lines 66a and 68 and Forms 8828, 4137, 4136, 5329 (Parts III through VIII only), and 8885. Also subtract from line 63 any tax on an excess parachute payment and any excise tax on insider stock compensation of an expatriated corporation. When figuring the amount on line 63, include the amount on line 62 only if line 64 is more than zero or you would have owed the estimated tax penalty for 2005 even if you did not include those taxes. But if you entered an amount on your 2005 Schedule H, line 7, include the total of that amount plus the amount on your 2005 Form 1040, line 62.

Figuring the Penalty

If the *Exception* above does not apply and you choose to figure the penalty yourself, see Form 2210 (or 2210-F for farmers and fishermen) to find out if you owe the pen-

Need more information or forms? See page 7.

alty. If you do, you can use the form to figure the amount.

Enter the penalty on line 77. Add the penalty to any tax due and enter the total on line 76. If you are due a refund, subtract the penalty from the overpayment you show on line 73. Do not file Form 2210 with your return unless Form 2210 indicates that you must do so. Instead, keep it for your records.

TIP *Because Form 2210 is complicated, you can leave line 77 blank and the IRS will figure the penalty and send you a bill. We will not charge you interest on the penalty if you pay by the date specified on the bill. If your income varied during the year, the annualized income installment method may reduce the amount of your penalty. But you must file Form 2210 because the IRS cannot figure your penalty under this method. See the Instructions for Form 2210 for other situations in which you may be able to lower your penalty by filing Form 2210.*

Third Party Designee

If you want to allow a friend, family member, or any other person you choose to discuss your 2006 tax return with the IRS, check the "Yes" box in the "Third Party Designee" area of your return. Also, enter the designee's name, phone number, and any five digits the designee chooses as his or her personal identification number (PIN). But if you want to allow the paid preparer who signed your return to discuss it with the IRS, just enter "Preparer" in the space for the designee's name. You do not have to provide the other information requested.

If you check the "Yes" box, you, and your spouse if filing a joint return, are authorizing the IRS to call the designee to answer any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Give the IRS any information that is missing from your return,
- Call the IRS for information about the processing of your return or the status of your refund or payment(s),
- Receive copies of notices or transcripts related to your return, upon request, and
- Respond to certain IRS notices about math errors, offsets, and return preparation.

You are not authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the IRS. If you want to expand the designee's authorization, see Pub. 947.

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2007 tax return. This is April 15, 2008, for most people. If you wish to revoke the authorization before it ends, see Pub. 947.

Sign Your Return

Form 1040 is not considered a valid return unless you sign it. If you are filing a joint return, your spouse must also sign. If your spouse cannot sign the return, see Pub. 501. Be sure to date your return and enter your occupation(s). If you have someone prepare your return, you are still responsible for the correctness of the return. If your return is signed by a representative for you, you must have a power of attorney attached that specifically authorizes the representative to sign your return. To do this, you can use Form 2848. If you are filing a joint return as a surviving spouse, see *Death of a Taxpayer* on page 65.

Child's Return

If your child cannot sign the return, either parent can sign the child's name in the space provided. Then, enter "By (your signature), parent for minor child."

Daytime Phone Number

Providing your daytime phone number may help speed the processing of your return. We may have questions about items on your return, such as the earned income credit, credit for child and dependent care expenses, etc. If you answer our questions over the phone, we may be able to continue processing your return without mailing you a letter. If you are filing a joint return, you can enter either your or your spouse's daytime phone number.

Paid Preparer Must Sign Your Return

Generally, anyone you pay to prepare your return must sign it in the space provided. The preparer must give you a copy of the return for your records. Someone who prepares your return but does not charge you should not sign your return.

e-file

Electronic Return Signatures!

Create your own personal identification number (PIN) and file a paperless return electronically or use a tax professional. If you are married filing jointly, you and your spouse will each need to create a PIN and enter these PINs as your electronic signatures.

A PIN is any combination of five digits you choose except five zeros. If you use a PIN, there is nothing to sign and nothing to mail—not even your Forms W-2.

To verify your identity, you will be prompted to enter your adjusted gross income (AGI) from your originally filed 2005 federal income tax return, if applicable. Do not use your AGI from an amended return (Form 1040X) or a math error correction made by IRS. AGI is the amount shown on your 2005 Form 1040, line 38; Form 1040A, line 21; or Form 1040EZ, line 4. If you do not have your 2005 income tax return, call the IRS at 1-800-829-1040 to get a free transcript of your return. (If you filed electronically last year, you may use your prior year PIN to verify your identity instead of your prior year AGI. The prior year PIN is the five digit PIN you used to electronically sign your 2005 return.) You will also be prompted to enter your date of birth (DOB). Make sure your DOB is accurate and matches the information on record with the Social Security Administration by checking your annual social security statement.

CAUTION *You cannot sign your return electronically if you are a first-time filer under age 16 at the end of 2006 or if you are filing certain forms, such as Form 1098-C, 3115, 3468 (if attachments are required), 4136 (if certificate or statement required), 5713, 8283 (if a statement is required for Section A or if Section B is completed), 8332, 8858, 8885, 8864 (if certification or statement required), or Schedule D-1 (Form 1040) (if you elect not to include your transactions on the electronic STCGL or LTCGL records).*

For more details, visit *www.irs.gov/efile* and click on "*e-file for Individual Taxpayers.*"

Forms 8453 and 8453-OL. Your return is not complete without your signature. If you are not eligible or choose not to sign your return with an electronic signature, you must complete, sign, and file Form 8453 or Form 8453-OL, whichever applies.

Sign electronically and file a completely paperless return. If you use a paid preparer, ask to sign your return electronically!

Assemble Your Return

Assemble any schedules and forms behind Form 1040 in order of the "Attachment Sequence No." shown in the upper right corner of the schedule or form. If you have supporting statements, arrange them in the same order as the schedules or forms they support and attach them last. Do not attach correspondence or other items unless required to do so. Attach a copy of Forms W-2 and 2439 to the front of Form 1040. If you received a Form W-2c (a corrected Form W-2), attach a copy of your original Forms W-2 and any Forms W-2c. Also attach Forms W-2G and 1099-R to the front of Form 1040 if tax was withheld.

General Information

How To Avoid Common Mistakes

Mistakes can delay your refund or result in notices being sent to you.

- Make sure you entered the correct name and social security number (SSN) for each dependent you claim on line 6c. Check that each dependent's name and SSN agrees with his or her social security card. For each child under age 17 who is a qualifying child for the child tax credit, make sure you either checked the box in line 6c, column (4), or completed Form 8901.
- Check your math, especially for the child tax credit, earned income credit (EIC), taxable social security benefits, total income, itemized deductions or standard deduction, deduction for exemptions, taxable income, total tax, federal income tax withheld, and refund or amount you owe.
- Be sure you use the correct method to figure your tax. See the instructions for line 44 that begin on page 36.
- Be sure to enter your SSN in the space provided on page 1 of Form 1040. If you are married filing a joint or separate return, also enter your spouse's SSN. Be sure to enter your SSN in the space next to your name. Check that your name and SSN agree with your social security card.
- Make sure your name and address are correct on the peel-off label. If not, enter the correct information. If you did not get a peel-off label, enter your (and your spouse's) name in the same order as shown on your last return. Check that your name agrees with your social security card.
- If you are taking the standard deduction and you checked any box on line 39a or 39b or you (or your spouse if filing jointly) can be claimed as a dependent on someone else's 2006 return, see page 35 to be sure you entered the correct amount on line 40.
- If you received capital gain distributions but were not required to file Schedule D, make sure you checked the box on line 13.
- If you are taking the EIC, be sure you used the correct column of the EIC Table for your filing status and the number of children you have.
- Remember to sign and date Form 1040 and enter your occupation(s).
- Attach your Form(s) W-2 and other required forms and schedules. Put all forms and schedules in the proper order. See *Assemble Your Return* on page 63.
- If you owe tax and are paying by check or money order, be sure to include all the required information on your payment. See the instructions for line 76 on page 62 for details.

What Are Your Rights as a Taxpayer?

You have the right to be treated fairly, professionally, promptly, and courteously by IRS employees. Our goal at the IRS is to protect your rights so that you will have the highest confidence in the integrity, efficiency, and fairness of our tax system. To ensure that you always receive such treatment, you should know about the many rights you have at each step of the tax process. For details, see Pub. 1.

Innocent Spouse Relief

Generally, both you and your spouse are each responsible for paying the full amount of tax, interest, and penalties on your joint return. However, you may qualify for relief from liability for tax on a joint return if (a) there is an understatement of tax because your spouse omitted income or claimed false deductions or credits, (b) you are divorced, separated, or no longer living with your spouse, or (c) given all the facts and circumstances, it would not be fair to hold you liable for the tax. To request relief, you must file Form 8857 no later than 2 years after the date on which the IRS first attempted to collect the tax from you. For more information, see Pub. 971 and Form 8857.

Income Tax Withholding and Estimated Tax Payments for 2007

If the amount you owe or the amount you overpaid is large, you may want to file a new Form W-4 with your employer to change the amount of income tax withheld from your 2007 pay. For details on how to complete Form W-4, see Pub. 919.

In general, you do not have to make estimated tax payments if you expect that your 2007 Form 1040 will show a tax refund or a tax balance due of less than $1,000. If your total estimated tax (including any household employment taxes and alternative minimum tax) for 2007 is $1,000 or more, see Form 1040-ES. It has a worksheet you can use to see if you have to make estimated tax payments. For more details, see Pub. 505.

Do Both the Name and SSN on Your Tax Forms Agree With Your Social Security Card?

If not, certain deductions and credits may be reduced or disallowed, your refund may be delayed, and you may not receive credit for your social security earnings. If your Form W-2 shows an incorrect SSN or name, notify your employer or the form-issuing agent as soon as possible to make sure your earnings are credited to your social security record. If the name or SSN on your social security card is incorrect, call the Social Security Administration at 1-800-772-1213.

Identity Theft

If you believe someone has assumed your identity to file federal income tax returns, or to commit other tax fraud, complete Form 3949-A, Information Referral, and send it to Internal Revenue Service, Fresno, CA 93888. Victims of identity theft who are suffering economic harm, experiencing a systemic problem, or seeking help in resolving tax problems that have not been resolved through normal channels may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling toll-free 1-877-777-4778 or TTY/TDD 1-800-829-4059. For additional information about identity theft prevention and victim assistance, you can access the IRS Identity Theft page at *www.irs.gov* by entering keyword "identity theft."

The IRS does not send out unsolicited emails requesting personal taxpayer information. If you receive this type of request, it may be an attempt by identity thieves to get your private tax information. Send a copy of the fraudulent email to *phishing@irs.gov*. For more information on how to forward one of these emails, go to *www.irs.gov* and enter keyword "phishing." Once there, see the article titled "How To Protect Yourself From Suspicious E-Mails or Phishing Schemes."

How Do You Make a Gift To Reduce Debt Held By the Public?

If you wish to do so, make a check payable to "Bureau of the Public Debt." You can send it to: Bureau of the Public Debt, Department G, P.O. Box 2188, Parkersburg, WV 26106-2188. Or you can enclose the check with your income tax return when

you file. Do not add your gift to any tax you may owe. See page 62 for details on how to pay any tax you owe.

TIP *You may be able to deduct this gift on your 2007 tax return*

How Long Should Records Be Kept?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as Forms W-2 and 1099) until the statute of limitations runs out for that return. Usually, this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. You should keep some records longer. For example, keep property records (including those on your home) as long as they are needed to figure the basis of the original or replacement property. For more details, see Pub. 552.

Amended Return

File Form 1040X to change a return you already filed. Generally, Form 1040X must be filed within 3 years after the date the original return was filed, or within 2 years after the date the tax was paid, whichever is later. But you may have more time to file Form 1040X if you live in a Presidentially declared disaster area or you are physically or mentally unable to manage your financial affairs. See Pub. 556 for details.

Need a Copy of Your Tax Return?

If you need a copy of your tax return, use Form 4506. There is a $39 fee for each return requested. If your main home, principal place of business, or tax records are located in a Presidentially declared disaster area, this fee will be waived. If you want a free transcript of your tax return or account, use Form 4506-T or call us. See page 10 for the number.

Death of a Taxpayer

If a taxpayer died before filing a return for 2006, the taxpayer's spouse or personal representative may have to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer's property. If the deceased taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund. The person who files the return must enter "Deceased," the deceased taxpayer's name, and the date of death across the top of the return. If this information is not provided, it may delay the processing of the return.

If your spouse died in 2006 and you did not remarry in 2006, or if your spouse died in 2007 before filing a return for 2006, you can file a joint return. A joint return should show your spouse's 2006 income before death and your income for all of 2006. Enter "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

The surviving spouse or personal representative should promptly notify all payers of income, including financial institutions, of the taxpayer's death. This will ensure the proper reporting of income earned by the taxpayer's estate or heirs. A deceased taxpayer's social security number should not be used for tax years after the year of death, except for estate tax return purposes.

Claiming a Refund for a Deceased Taxpayer

If you are filing a joint return as a surviving spouse, you only need to file the tax return to claim the refund. If you are a court-appointed representative, file the return and attach a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer's refund must file the return and attach Form 1310.

For more details, use TeleTax topic 356 (see page 8) or see Pub. 559.

Other Ways To Get Help

Send Your Written Tax Questions to the IRS

You should get an answer in about 30 days. If you do not have the mailing address, call us. See page 10 for the number. Do not send questions with your return.

Research Your Tax Questions Online

You can find answers to many of your tax questions online in several ways by accessing the IRS website at *www.irs.gov/help* and then clicking on "Help With Tax Questions." Here are some of the methods you may want to try.

- Frequently asked questions. This section contains an extensive list of questions and answers. You can select your question by category or keyword.
- Tax trails. This is an interactive section which asks questions you can answer by selecting "Yes" or "No."
- Tax topics. This section provides a broad picture of tax topics beginning with 17 main categories. Each topic link leads to further categories and then to a discussion of the topic.

Free Help With Your Return

Free help in preparing your return is available nationwide from IRS-sponsored volunteers. The Volunteer Income Tax Assistance (VITA) program is designed to help low-income taxpayers and the Tax Counseling for the Elderly (TCE) program is designed to assist taxpayers age 60 or older with their tax returns. Many VITA sites offer free electronic filing and all volunteers will let you know about the credits and deductions you may be entitled to claim. If you are a member of the military, you can also get assistance on military tax benefits, such as combat zone tax benefits, at an office within your installation. For more information on these programs, go to *www.irs.gov* and enter keyword "VITA" in the upper right corner. Or, call us. See page 10 for the number. To find the nearest AARP Tax-Aide site, visit AARP's website at *www.aarp.org/taxaide* or call 1-888-227-7669.

When you go for help, take your photo ID and social security numbers (or individual taxpayer identification numbers) for your spouse, your dependents, and yourself. Also take a copy of your 2005 tax return (if available), all your Forms W-2, 1099, and 1098 for 2006, and any other information about your 2006 income and expenses.

Everyday Tax Solutions

You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to *www.irs.gov/localcontacts* or look in the phone book under "United States Government, Internal Revenue Service."

Online Services

If you subscribe to an online service, ask about online filing or tax information.

Help for People With Disabilities

Telephone help is available using TTY/TDD equipment by calling 1-800-829-4059. Braille materials are available at libraries that have special services for people with disabilities.

Interest and Penalties

You do not have to figure the amount of any interest or penalties you may owe. Because figuring these amounts can be complicated, we will do it for you if you want. We will send you a bill for any amount due.

If you include interest or penalties (other than the estimated tax penalty) with your payment, identify and enter the amount in the bottom margin of Form 1040, page 2. Do not include interest or penalties (other than the estimated tax penalty) in the amount you owe on line 76.

Interest

We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, negligence, fraud, substantial valuation misstatements, substantial understatements of tax, and reportable transaction understatements. Interest is charged on the penalty from the due date of the return (including extensions).

Penalties

Late filing. If you do not file your return by the due date (including extensions), the penalty is usually 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you do, attach it to your return. The penalty can be as much as 25% of the tax due. The penalty is 15% per month, up to a maximum of 75%, if the failure to file is fraudulent. If your return is more than 60 days late, the minimum penalty will be $100 or the amount of any tax you owe, whichever is smaller.

Late payment of tax. If you pay your taxes late, the penalty is usually ½ of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty can be as much as 25% of the unpaid amount. It applies to any unpaid tax on the return. This penalty is in addition to interest charges on late payments.

Frivolous return. In addition to any other penalties, the law imposes a penalty of $500 for filing a frivolous return. A frivolous return is one that does not contain information needed to figure the correct tax or shows a substantially incorrect tax because you take a frivolous position or desire to delay or interfere with the tax laws. This includes altering or striking out the preprinted language above the space where you sign.

Other. Other penalties can be imposed for negligence, substantial understatement of tax, reportable transaction understatements, and fraud. Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement. See Pub. 17 for details on some of these penalties.

2006 Tax Table

CAUTION *See the instructions for line 44 that begin on page 36 to see if you must use the Tax Table below to figure your tax.*

Example Mr. and Mrs. Brown are filing a joint return. Their taxable income on Form 1040, line 43, is $25,300. First, they find the $25,300 25,350 taxable income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the taxable income line and filing status column meet is $3,044. This is the tax amount they should include on Form 1040, line 44.

Sample Table

At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
			Your tax is—		
25,200	25,250	3,408	3,029	3,406	3,246
25,250	25,300	3,414	3,036	3,414	3,254
25,300	25,350	3,421	(3,044)	3,421	3,261
25,350	25,400	3,429	3,051	3,428	3,269

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
0	5	0	0	0	0
5	15	1	1	1	1
15	25	2	2	2	2
25	50	4	4	4	4
50	75	6	6	6	6
75	100	9	9	9	9
100	125	11	11	11	11
125	150	14	14	14	14
150	175	16	16	16	16
175	200	19	19	19	19
200	225	21	21	21	21
225	250	24	24	24	24
250	275	26	26	26	26
275	300	29	29	29	29
300	325	31	31	31	31
325	350	34	34	34	34
350	375	36	36	36	36
375	400	39	39	39	39
400	425	41	41	41	41
425	450	44	44	44	44
450	475	46	46	46	46
475	500	49	49	49	49
500	525	51	51	51	51
525	550	54	54	54	54
550	575	56	56	56	56
575	600	59	59	59	59
600	625	61	61	61	61
625	650	64	64	64	64
650	675	66	66	66	66
675	700	69	69	69	69
700	725	71	71	71	71
725	750	74	74	74	74
750	775	76	76	76	76
775	800	79	79	79	79
800	825	81	81	81	81
825	850	84	84	84	84
850	875	86	86	86	86
875	900	89	89	89	89
900	925	91	91	91	91
925	950	94	94	94	94
950	975	96	96	96	96
975	1,000	99	99	99	99
1,000					
1,000	1,025	101	101	101	101
1,025	1,050	104	104	104	104
1,050	1,075	106	106	106	106
1,075	1,100	109	109	109	109
1,100	1,125	111	111	111	111
1,125	1,150	114	114	114	114
1,150	1,175	116	116	116	116
1,175	1,200	119	119	119	119
1,200	1,225	121	121	121	121
1,225	1,250	124	124	124	124
1,250	1,275	126	126	126	126
1,275	1,300	129	129	129	129
1,300	1,325	131	131	131	131
1,325	1,350	134	134	134	134
1,350	1,375	136	136	136	136
1,375	1,400	139	139	139	139
1,400	1,425	141	141	141	141
1,425	1,450	144	144	144	144
1,450	1,475	146	146	146	146
1,475	1,500	149	149	149	149
1,500	1,525	151	151	151	151
1,525	1,550	154	154	154	154
1,550	1,575	156	156	156	156
1,575	1,600	159	159	159	159
1,600	1,625	161	161	161	161
1,625	1,650	164	164	164	164
1,650	1,675	166	166	166	166
1,675	1,700	169	169	169	169
1,700	1,725	171	171	171	171
1,725	1,750	174	174	174	174
1,750	1,775	176	176	176	176
1,775	1,800	179	179	179	179
1,800	1,825	181	181	181	181
1,825	1,850	184	184	184	184
1,850	1,875	186	186	186	186
1,875	1,900	189	189	189	189
1,900	1,925	191	191	191	191
1,925	1,950	194	194	194	194
1,950	1,975	196	196	196	196
1,975	2,000	199	199	199	199
2,000					
2,000	2,025	201	201	201	201
2,025	2,050	204	204	204	204
2,050	2,075	206	206	206	206
2,075	2,100	209	209	209	209
2,100	2,125	211	211	211	211
2,125	2,150	214	214	214	214
2,150	2,175	216	216	216	216
2,175	2,200	219	219	219	219
2,200	2,225	221	221	221	221
2,225	2,250	224	224	224	224
2,250	2,275	226	226	226	226
2,275	2,300	229	229	229	229
2,300	2,325	231	231	231	231
2,325	2,350	234	234	234	234
2,350	2,375	236	236	236	236
2,375	2,400	239	239	239	239
2,400	2,425	241	241	241	241
2,425	2,450	244	244	244	244
2,450	2,475	246	246	246	246
2,475	2,500	249	249	249	249
2,500	2,525	251	251	251	251
2,525	2,550	254	254	254	254
2,550	2,575	256	256	256	256
2,575	2,600	259	259	259	259
2,600	2,625	261	261	261	261
2,625	2,650	264	264	264	264
2,650	2,675	266	266	266	266
2,675	2,700	269	269	269	269
2,700	2,725	271	271	271	271
2,725	2,750	274	274	274	274
2,750	2,775	276	276	276	276
2,775	2,800	279	279	279	279
2,800	2,825	281	281	281	281
2,825	2,850	284	284	284	284
2,850	2,875	286	286	286	286
2,875	2,900	289	288	289	289
2,900	2,925	291	291	291	291
2,925	2,950	294	294	294	294
2,950	2,975	296	296	296	296
2,975	3,000	299	299	299	299
3,000					
3,000	3,050	303	303	303	303
3,050	3,100	308	308	308	308
3,100	3,150	313	313	313	313
3,150	3,200	318	318	318	318
3,200	3,250	323	323	323	323
3,250	3,300	328	328	328	328
3,300	3,350	333	333	333	333
3,350	3,400	338	338	338	338
3,400	3,450	343	343	343	343
3,450	3,500	348	348	348	348
3,500	3,550	353	353	353	353
3,550	3,600	358	358	358	358
3,600	3,650	363	363	363	363
3,650	3,700	368	368	368	368
3,700	3,750	373	373	373	373
3,750	3,800	378	378	378	378
3,800	3,850	383	383	383	383
3,850	3,900	388	388	388	388
3,900	3,950	393	393	393	393
3,950	4,000	398	398	398	398
4,000					
4,000	4,050	403	403	403	403
4,050	4,100	408	408	408	408
4,100	4,150	413	413	413	413
4,150	4,200	418	418	418	418
4,200	4,250	423	423	423	423
4,250	4,300	428	428	428	428
4,300	4,350	433	433	433	433
4,350	4,400	438	438	438	438
4,400	4,450	443	443	443	443
4,450	4,500	448	448	448	448
4,500	4,550	453	453	453	453
4,550	4,600	458	458	458	458
4,600	4,650	463	463	463	463
4,650	4,700	468	468	468	468
4,700	4,750	473	473	473	473
4,750	4,800	478	478	478	478
4,800	4,850	483	483	483	483
4,850	4,900	488	488	488	488
4,900	4,950	493	493	493	493
4,950	5,000	498	498	498	498

* This column must also be used by a qualifying widow(er)

(Continued on page 68)

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
5,000					
5,000	5,050	503	503	503	503
5,050	5,100	508	508	508	508
5,100	5,150	513	513	513	513
5,150	5,200	518	518	518	518
5,200	5,250	523	523	523	523
5,250	5,300	528	528	528	528
5,300	5,350	533	533	533	533
5,350	5,400	538	538	538	538
5,400	5,450	543	543	543	543
5,450	5,500	548	548	548	548
5,500	5,550	553	553	553	553
5,550	5,600	558	558	558	558
5,600	5,650	563	563	563	563
5,650	5,700	568	568	568	568
5,700	5,750	573	573	573	573
5,750	5,800	578	578	578	578
5,800	5,850	583	583	583	583
5,850	5,900	588	588	588	588
5,900	5,950	593	593	593	593
5,950	6,000	598	598	598	598
6,000					
6,000	6,050	603	603	603	603
6,050	6,100	608	608	608	608
6,100	6,150	613	613	613	613
6,150	6,200	618	618	618	618
6,200	6,250	623	623	623	623
6,250	6,300	628	628	628	628
6,300	6,350	633	633	633	633
6,350	6,400	638	638	638	638
6,400	6,450	643	643	643	643
6,450	6,500	648	648	648	648
6,500	6,550	653	653	653	653
6,550	6,600	658	658	658	658
6,600	6,650	663	663	663	663
6,650	6,700	668	668	668	668
6,700	6,750	673	673	673	673
6,750	6,800	678	678	678	678
6,800	6,850	683	683	683	683
6,850	6,900	688	688	688	688
6,900	6,950	693	693	693	693
6,950	7,000	698	698	698	698
7,000					
7,000	7,050	703	703	703	703
7,050	7,100	708	708	708	708
7,100	7,150	713	713	713	713
7,150	7,200	718	718	718	718
7,200	7,250	723	723	723	723
7,250	7,300	728	728	728	728
7,300	7,350	733	733	733	733
7,350	7,400	738	738	738	738
7,400	7,450	743	743	743	743
7,450	7,500	748	748	748	748
7,500	7,550	753	753	753	753
7,550	7,600	759	758	759	758
7,600	7,650	766	763	766	763
7,650	7,700	774	768	774	768
7,700	7,750	781	773	781	773
7,750	7,800	789	778	789	778
7,800	7,850	796	783	796	783
7,850	7,900	804	788	804	788
7,900	7,950	811	793	811	793
7,950	8,000	819	798	819	798
8,000					
8,000	8,050	826	803	826	803
8,050	8,100	834	808	834	808
8,100	8,150	841	813	841	813
8,150	8,200	849	818	849	818
8,200	8,250	856	823	856	823
8,250	8,300	864	828	864	828
8,300	8,350	871	833	871	833
8,350	8,400	879	838	879	838
8,400	8,450	886	843	886	843
8,450	8,500	894	848	894	848
8,500	8,550	901	853	901	853
8,550	8,600	909	858	909	858
8,600	8,650	916	863	916	863
8,650	8,700	924	868	924	868
8,700	8,750	931	873	931	873
8,750	8,800	939	878	939	878
8,800	8,850	946	883	946	883
8,850	8,900	954	888	954	888
8,900	8,950	961	893	961	893
8,950	9,000	969	898	969	898
9,000					
9,000	9,050	976	903	976	903
9,050	9,100	984	908	984	908
9,100	9,150	991	913	991	913
9,150	9,200	999	918	999	918
9,200	9,250	1,006	923	1,006	923
9,250	9,300	1,014	928	1,014	928
9,300	9,350	1,021	933	1,021	933
9,350	9,400	1,029	938	1,029	938
9,400	9,450	1,036	943	1,036	943
9,450	9,500	1,044	948	1,044	948
9,500	9,550	1,051	953	1,051	953
9,550	9,600	1,059	958	1,059	958
9,600	9,650	1,066	963	1,066	963
9,650	9,700	1,074	968	1,074	968
9,700	9,750	1,081	973	1,081	973
9,750	9,800	1,089	978	1,089	978
9,800	9,850	1,096	983	1,096	983
9,850	9,900	1,104	988	1,104	988
9,900	9,950	1,111	993	1,111	993
9,950	10,000	1,119	998	1,119	998
10,000					
10,000	10,050	1,126	1,003	1,126	1,003
10,050	10,100	1,134	1,008	1,134	1,008
10,100	10,150	1,141	1,013	1,141	1,013
10,150	10,200	1,149	1,018	1,149	1,018
10,200	10,250	1,156	1,023	1,156	1,023
10,250	10,300	1,164	1,028	1,164	1,028
10,300	10,350	1,171	1,033	1,171	1,033
10,350	10,400	1,179	1,038	1,179	1,038
10,400	10,450	1,186	1,043	1,186	1,043
10,450	10,500	1,194	1,048	1,194	1,048
10,500	10,550	1,201	1,053	1,201	1,053
10,550	10,600	1,209	1,058	1,209	1,058
10,600	10,650	1,216	1,063	1,216	1,063
10,650	10,700	1,224	1,068	1,224	1,068
10,700	10,750	1,231	1,073	1,231	1,073
10,750	10,800	1,239	1,078	1,239	1,079
10,800	10,850	1,246	1,083	1,246	1,086
10,850	10,900	1,254	1,088	1,254	1,094
10,900	10,950	1,261	1,093	1,261	1,101
10,950	11,000	1,269	1,098	1,269	1,109
11,000					
11,000	11,050	1,276	1,103	1,276	1,116
11,050	11,100	1,284	1,108	1,284	1,124
11,100	11,150	1,291	1,113	1,291	1,131
11,150	11,200	1,299	1,118	1,299	1,139
11,200	11,250	1,306	1,123	1,306	1,146
11,250	11,300	1,314	1,128	1,314	1,154
11,300	11,350	1,321	1,133	1,321	1,161
11,350	11,400	1,329	1,138	1,329	1,169
11,400	11,450	1,336	1,143	1,336	1,176
11,450	11,500	1,344	1,148	1,344	1,184
11,500	11,550	1,351	1,153	1,351	1,191
11,550	11,600	1,359	1,158	1,359	1,199
11,600	11,650	1,366	1,163	1,366	1,206
11,650	11,700	1,374	1,168	1,374	1,214
11,700	11,750	1,381	1,173	1,381	1,221
11,750	11,800	1,389	1,178	1,389	1,229
11,800	11,850	1,396	1,183	1,396	1,236
11,850	11,900	1,404	1,188	1,404	1,244
11,900	11,950	1,411	1,193	1,411	1,251
11,950	12,000	1,419	1,198	1,419	1,259
12,000					
12,000	12,050	1,426	1,203	1,426	1,266
12,050	12,100	1,434	1,208	1,434	1,274
12,100	12,150	1,441	1,213	1,441	1,281
12,150	12,200	1,449	1,218	1,449	1,289
12,200	12,250	1,456	1,223	1,456	1,296
12,250	12,300	1,464	1,228	1,464	1,304
12,300	12,350	1,471	1,233	1,471	1,311
12,350	12,400	1,479	1,238	1,479	1,319
12,400	12,450	1,486	1,243	1,486	1,326
12,450	12,500	1,494	1,248	1,494	1,334
12,500	12,550	1,501	1,253	1,501	1,341
12,550	12,600	1,509	1,258	1,509	1,349
12,600	12,650	1,516	1,263	1,516	1,356
12,650	12,700	1,524	1,268	1,524	1,364
12,700	12,750	1,531	1,273	1,531	1,371
12,750	12,800	1,539	1,278	1,539	1,379
12,800	12,850	1,546	1,283	1,546	1,386
12,850	12,900	1,554	1,288	1,554	1,394
12,900	12,950	1,561	1,293	1,561	1,401
12,950	13,000	1,569	1,298	1,569	1,409
13,000					
13,000	13,050	1,576	1,303	1,576	1,416
13,050	13,100	1,584	1,308	1,584	1,424
13,100	13,150	1,591	1,313	1,591	1,431
13,150	13,200	1,599	1,318	1,599	1,439
13,200	13,250	1,606	1,323	1,606	1,446
13,250	13,300	1,614	1,328	1,614	1,454
13,300	13,350	1,621	1,333	1,621	1,461
13,350	13,400	1,629	1,338	1,629	1,469
13,400	13,450	1,636	1,343	1,636	1,476
13,450	13,500	1,644	1,348	1,644	1,484
13,500	13,550	1,651	1,353	1,651	1,491
13,550	13,600	1,659	1,358	1,659	1,499
13,600	13,650	1,666	1,363	1,666	1,506
13,650	13,700	1,674	1,368	1,674	1,514
13,700	13,750	1,681	1,373	1,681	1,521
13,750	13,800	1,689	1,378	1,689	1,529
13,800	13,850	1,696	1,383	1,696	1,536
13,850	13,900	1,704	1,388	1,704	1,544
13,900	13,950	1,711	1,393	1,711	1,551
13,950	14,000	1,719	1,398	1,719	1,559

* This column must also be used by a qualifying widow(er)

(Continued on page 69)

2006 Tax Table–*Continued*

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
14,000					
14,000	14,050	1,726	1,403	1,726	1,566
14,050	14,100	1,734	1,408	1,734	1,574
14,100	14,150	1,741	1,413	1,741	1,581
14,150	14,200	1,749	1,418	1,749	1,589
14,200	14,250	1,756	1,423	1,756	1,596
14,250	14,300	1,764	1,428	1,764	1,604
14,300	14,350	1,771	1,433	1,771	1,611
14,350	14,400	1,779	1,438	1,778	1,619
14,400	14,450	1,786	1,443	1,786	1,626
14,450	14,500	1,794	1,448	1,794	1,634
14,500	14,550	1,801	1,453	1,801	1,641
14,550	14,600	1,809	1,458	1,809	1,649
14,600	14,650	1,816	1,463	1,816	1,656
14,650	14,700	1,824	1,468	1,824	1,664
14,700	14,750	1,831	1,473	1,831	1,671
14,750	14,800	1,839	1,478	1,839	1,679
14,800	14,850	1,846	1,483	1,846	1,686
14,850	14,900	1,854	1,488	1,854	1,694
14,900	14,950	1,861	1,493	1,861	1,701
14,950	15,000	1,869	1,498	1,869	1,709
15,000					
15,000	15,050	1,876	1,503	1,876	1,716
15,050	15,100	1,884	1,508	1,884	1,724
15,100	15,150	1,891	1,514	1,891	1,731
15,150	15,200	1,899	1,521	1,899	1,739
15,200	15,250	1,906	1,529	1,906	1,746
15,250	15,300	1,914	1,536	1,914	1,754
15,300	15,350	1,921	1,544	1,921	1,761
15,350	15,400	1,929	1,551	1,929	1,769
15,400	15,450	1,936	1,559	1,936	1,776
15,450	15,500	1,944	1,566	1,944	1,784
15,500	15,550	1,951	1,574	1,951	1,791
15,550	15,600	1,959	1,581	1,959	1,799
15,600	15,650	1,966	1,589	1,966	1,806
15,650	15,700	1,974	1,596	1,974	1,814
15,700	15,750	1,981	1,604	1,981	1,821
15,750	15,800	1,989	1,611	1,989	1,829
15,800	15,850	1,996	1,619	1,996	1,836
15,850	15,900	2,004	1,626	2,004	1,844
15,900	15,950	2,011	1,634	2,011	1,851
15,950	16,000	2,019	1,641	2,019	1,859
16,000					
16,000	16,050	2,026	1,649	2,026	1,866
16,050	16,100	2,034	1,656	2,034	1,874
16,100	16,150	2,041	1,664	2,041	1,881
16,150	16,200	2,049	1,671	2,049	1,889
16,200	16,250	2,056	1,679	2,056	1,896
16,250	16,300	2,064	1,686	2,064	1,904
16,300	16,350	2,071	1,694	2,071	1,911
16,350	16,400	2,079	1,701	2,079	1,919
16,400	16,450	2,086	1,709	2,086	1,926
16,450	16,500	2,094	1,716	2,094	1,934
16,500	16,550	2,101	1,724	2,101	1,941
16,550	16,600	2,109	1,731	2,109	1,949
16,600	16,650	2,116	1,739	2,116	1,956
16,650	16,700	2,124	1,746	2,124	1,964
16,700	16,750	2,131	1,754	2,131	1,971
16,750	16,800	2,139	1,761	2,139	1,979
16,800	16,850	2,146	1,769	2,146	1,986
16,850	16,900	2,154	1,776	2,154	1,994
16,900	16,950	2,161	1,784	2,161	2,001
16,950	17,000	2,169	1,791	2,169	2,009
17,000					
17,000	17,050	2,176	1,799	2,176	2,016
17,050	17,100	2,184	1,806	2,184	2,024
17,100	17,150	2,191	1,814	2,191	2,031
17,150	17,200	2,199	1,821	2,199	2,039
17,200	17,250	2,206	1,829	2,206	2,046
17,250	17,300	2,214	1,836	2,214	2,054
17,300	17,350	2,221	1,844	2,221	2,061
17,350	17,400	2,229	1,851	2,229	2,069
17,400	17,450	2,236	1,859	2,236	2,076
17,450	17,500	2,244	1,866	2,244	2,084
17,500	17,550	2,251	1,874	2,251	2,091
17,550	17,600	2,259	1,881	2,259	2,099
17,600	17,650	2,266	1,889	2,266	2,106
17,650	17,700	2,274	1,896	2,274	2,114
17,700	17,750	2,281	1,904	2,281	2,121
17,750	17,800	2,289	1,911	2,289	2,129
17,800	17,850	2,296	1,919	2,296	2,136
17,850	17,900	2,304	1,926	2,304	2,144
17,900	17,950	2,311	1,934	2,311	2,151
17,950	18,000	2,319	1,941	2,319	2,159
18,000					
18,000	18,050	2,326	1,949	2,326	2,166
18,050	18,100	2,334	1,956	2,334	2,174
18,100	18,150	2,341	1,964	2,341	2,181
18,150	18,200	2,349	1,971	2,349	2,189
18,200	18,250	2,356	1,979	2,356	2,196
18,250	18,300	2,364	1,986	2,364	2,204
18,300	18,350	2,371	1,994	2,371	2,211
18,350	18,400	2,379	2,001	2,379	2,219
18,400	18,450	2,386	2,009	2,386	2,226
18,450	18,500	2,394	2,016	2,394	2,234
18,500	18,550	2,401	2,024	2,401	2,241
18,550	18,600	2,409	2,031	2,409	2,249
18,600	18,650	2,416	2,039	2,416	2,256
18,650	18,700	2,424	2,046	2,424	2,264
18,700	18,750	2,431	2,054	2,431	2,271
18,750	18,800	2,439	2,061	2,439	2,279
18,800	18,850	2,446	2,069	2,446	2,286
18,850	18,900	2,454	2,076	2,454	2,294
18,900	18,950	2,461	2,084	2,461	2,301
18,950	19,000	2,469	2,091	2,469	2,309
19,000					
19,000	19,050	2,476	2,099	2,476	2,316
19,050	19,100	2,484	2,106	2,484	2,324
19,100	19,150	2,491	2,114	2,491	2,331
19,150	19,200	2,499	2,121	2,499	2,339
19,200	19,250	2,506	2,129	2,506	2,346
19,250	19,300	2,514	2,136	2,514	2,354
19,300	19,350	2,521	2,144	2,521	2,361
19,350	19,400	2,529	2,151	2,529	2,369
19,400	19,450	2,536	2,159	2,536	2,376
19,450	19,500	2,544	2,166	2,544	2,384
19,500	19,550	2,551	2,174	2,551	2,391
19,550	19,600	2,559	2,181	2,559	2,399
19,600	19,650	2,566	2,189	2,566	2,406
19,650	19,700	2,574	2,196	2,574	2,414
19,700	19,750	2,581	2,204	2,581	2,421
19,750	19,800	2,589	2,211	2,589	2,429
19,800	19,850	2,596	2,219	2,596	2,436
19,850	19,900	2,604	2,226	2,604	2,444
19,900	19,950	2,611	2,234	2,611	2,451
19,950	20,000	2,619	2,241	2,619	2,459
20,000					
20,000	20,050	2,626	2,249	2,626	2,466
20,050	20,100	2,634	2,256	2,634	2,474
20,100	20,150	2,641	2,264	2,641	2,481
20,150	20,200	2,649	2,271	2,649	2,489
20,200	20,250	2,656	2,279	2,656	2,496
20,250	20,300	2,664	2,286	2,664	2,504
20,300	20,350	2,671	2,294	2,671	2,511
20,350	20,400	2,679	2,301	2,679	2,519
20,400	20,450	2,686	2,309	2,686	2,526
20,450	20,500	2,694	2,316	2,694	2,534
20,500	20,550	2,701	2,324	2,701	2,541
20,550	20,600	2,709	2,331	2,709	2,549
20,600	20,650	2,716	2,339	2,716	2,556
20,650	20,700	2,724	2,346	2,724	2,564
20,700	20,750	2,731	2,354	2,731	2,571
20,750	20,800	2,739	2,361	2,739	2,579
20,800	20,850	2,746	2,369	2,746	2,586
20,850	20,900	2,754	2,376	2,754	2,594
20,900	20,950	2,761	2,384	2,761	2,601
20,950	21,000	2,769	2,391	2,769	2,609
21,000					
21,000	21,050	2,776	2,399	2,776	2,616
21,050	21,100	2,784	2,406	2,784	2,624
21,100	21,150	2,791	2,414	2,791	2,631
21,150	21,200	2,799	2,421	2,799	2,639
21,200	21,250	2,806	2,429	2,806	2,646
21,250	21,300	2,814	2,436	2,814	2,654
21,300	21,350	2,821	2,444	2,821	2,661
21,350	21,400	2,829	2,451	2,829	2,669
21,400	21,450	2,836	2,459	2,836	2,676
21,450	21,500	2,844	2,466	2,844	2,684
21,500	21,550	2,851	2,474	2,851	2,691
21,550	21,600	2,859	2,481	2,859	2,699
21,600	21,650	2,866	2,489	2,866	2,706
21,650	21,700	2,874	2,496	2,874	2,714
21,700	21,750	2,881	2,504	2,881	2,721
21,750	21,800	2,889	2,511	2,889	2,729
21,800	21,850	2,896	2,519	2,896	2,736
21,850	21,900	2,904	2,526	2,904	2,744
21,900	21,950	2,911	2,534	2,911	2,751
21,950	22,000	2,919	2,541	2,919	2,759
22,000					
22,000	22,050	2,926	2,549	2,926	2,766
22,050	22,100	2,934	2,556	2,934	2,774
22,100	22,150	2,941	2,564	2,941	2,781
22,150	22,200	2,949	2,571	2,949	2,789
22,200	22,250	2,956	2,579	2,956	2,796
22,250	22,300	2,964	2,586	2,964	2,804
22,300	22,350	2,971	2,594	2,971	2,811
22,350	22,400	2,979	2,601	2,979	2,819
22,400	22,450	2,986	2,609	2,986	2,826
22,450	22,500	2,994	2,616	2,994	2,834
22,500	22,550	3,001	2,624	3,001	2,841
22,550	22,600	3,009	2,631	3,009	2,849
22,600	22,650	3,016	2,639	3,016	2,856
22,650	22,700	3,024	2,646	3,024	2,864
22,700	22,750	3,031	2,654	3,031	2,871
22,750	22,800	3,039	2,661	3,039	2,879
22,800	22,850	3,046	2,669	3,046	2,886
22,850	22,900	3,054	2,676	3,054	2,894
22,900	22,950	3,061	2,684	3,061	2,901
22,950	23,000	3,069	2,691	3,069	2,909

* This column must also be used by a qualifying widow(er)

(Continued on page 70)

2006 Tax Table–*Continued*

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
23,000					
23,000	23,050	3,076	2,699	3,076	2,916
23,050	23,100	3,084	2,706	3,084	2,924
23,100	23,150	3,091	2,714	3,091	2,931
23,150	23,200	3,099	2,721	3,099	2,939
23,200	23,250	3,106	2,729	3,106	2,946
23,250	23,300	3,114	2,736	3,114	2,954
23,300	23,350	3,121	2,744	3,121	2,961
23,350	23,400	3,129	2,751	3,129	2,969
23,400	23,450	3,136	2,759	3,136	2,976
23,450	23,500	3,144	2,766	3,144	2,984
23,500	23,550	3,151	2,774	3,151	2,991
23,550	23,600	3,159	2,781	3,159	2,999
23,600	23,650	3,166	2,789	3,166	3,006
23,650	23,700	3,174	2,796	3,174	3,014
23,700	23,750	3,181	2,804	3,181	3,021
23,750	23,800	3,189	2,811	3,189	3,029
23,800	23,850	3,196	2,819	3,196	3,036
23,850	23,900	3,204	2,826	3,204	3,044
23,900	23,950	3,211	2,834	3,211	3,051
23,950	24,000	3,219	2,841	3,219	3,059
24,000					
24,000	24,050	3,226	2,849	3,226	3,066
24,050	24,100	3,234	2,856	3,234	3,074
24,100	24,150	3,241	2,864	3,241	3,081
24,150	24,200	3,249	2,871	3,249	3,089
24,200	24,250	3,256	2,879	3,256	3,096
24,250	24,300	3,264	2,886	3,264	3,104
24,300	24,350	3,271	2,894	3,271	3,111
24,350	24,400	3,279	2,901	3,279	3,119
24,400	24,450	3,286	2,909	3,286	3,126
24,450	24,500	3,294	2,916	3,294	3,134
24,500	24,550	3,301	2,924	3,301	3,141
24,550	24,600	3,309	2,931	3,309	3,149
24,600	24,650	3,316	2,939	3,316	3,156
24,650	24,700	3,324	2,946	3,324	3,164
24,700	24,750	3,331	2,954	3,331	3,171
24,750	24,800	3,339	2,961	3,339	3,179
24,800	24,850	3,346	2,969	3,346	3,186
24,850	24,900	3,354	2,976	3,354	3,194
24,900	24,950	3,361	2,984	3,361	3,201
24,950	25,000	3,369	2,991	3,369	3,209
25,000					
25,000	25,050	3,376	2,999	3,376	3,216
25,050	25,100	3,384	3,006	3,384	3,224
25,100	25,150	3,391	3,014	3,391	3,231
25,150	25,200	3,399	3,021	3,399	3,239
25,200	25,250	3,406	3,029	3,406	3,246
25,250	25,300	3,414	3,036	3,414	3,254
25,300	25,350	3,421	3,044	3,421	3,261
25,350	25,400	3,429	3,051	3,429	3,269
25,400	25,450	3,436	3,059	3,436	3,276
25,450	25,500	3,444	3,066	3,444	3,284
25,500	25,550	3,451	3,074	3,451	3,291
25,550	25,600	3,459	3,081	3,459	3,299
25,600	25,650	3,466	3,089	3,466	3,306
25,650	25,700	3,474	3,098	3,474	3,314
25,700	25,750	3,481	3,104	3,481	3,321
25,750	25,800	3,489	3,111	3,489	3,329
25,800	25,850	3,496	3,119	3,496	3,336
25,850	25,900	3,504	3,126	3,504	3,344
25,900	25,950	3,511	3,134	3,511	3,351
25,950	26,000	3,519	3,141	3,519	3,359
26,000					
26,000	26,050	3,526	3,149	3,526	3,366
26,050	26,100	3,534	3,156	3,534	3,374
26,100	26,150	3,541	3,164	3,541	3,381
26,150	26,200	3,549	3,171	3,549	3,389
26,200	26,250	3,556	3,179	3,556	3,396
26,250	26,300	3,564	3,186	3,564	3,404
26,300	26,350	3,571	3,194	3,571	3,411
26,350	26,400	3,579	3,201	3,579	3,419
26,400	26,450	3,586	3,209	3,586	3,428
26,450	26,500	3,594	3,216	3,594	3,434
26,500	26,550	3,601	3,224	3,601	3,441
26,550	26,600	3,609	3,231	3,609	3,449
26,600	26,650	3,616	3,239	3,616	3,456
26,650	26,700	3,624	3,246	3,624	3,464
26,700	26,750	3,631	3,254	3,631	3,471
26,750	26,800	3,639	3,261	3,639	3,479
26,800	26,850	3,646	3,269	3,646	3,486
26,850	26,900	3,654	3,276	3,654	3,494
26,900	26,950	3,661	3,284	3,661	3,501
26,950	27,000	3,669	3,291	3,669	3,509
27,000					
27,000	27,050	3,676	3,299	3,676	3,516
27,050	27,100	3,684	3,306	3,684	3,524
27,100	27,150	3,691	3,314	3,691	3,531
27,150	27,200	3,699	3,321	3,699	3,539
27,200	27,250	3,706	3,329	3,706	3,546
27,250	27,300	3,714	3,336	3,714	3,554
27,300	27,350	3,721	3,344	3,721	3,561
27,350	27,400	3,729	3,351	3,729	3,569
27,400	27,450	3,736	3,359	3,736	3,576
27,450	27,500	3,744	3,366	3,744	3,584
27,500	27,550	3,751	3,374	3,751	3,591
27,550	27,600	3,759	3,381	3,759	3,599
27,600	27,650	3,766	3,389	3,766	3,606
27,650	27,700	3,774	3,396	3,774	3,614
27,700	27,750	3,781	3,404	3,781	3,621
27,750	27,800	3,789	3,411	3,789	3,629
27,800	27,850	3,796	3,419	3,796	3,636
27,850	27,900	3,804	3,426	3,804	3,644
27,900	27,950	3,811	3,434	3,811	3,651
27,950	28,000	3,819	3,441	3,819	3,659
28,000					
28,000	28,050	3,826	3,449	3,826	3,666
28,050	28,100	3,834	3,456	3,834	3,674
28,100	28,150	3,841	3,464	3,841	3,681
28,150	28,200	3,849	3,471	3,849	3,689
28,200	28,250	3,856	3,479	3,856	3,696
28,250	28,300	3,864	3,486	3,864	3,704
28,300	28,350	3,871	3,494	3,871	3,711
28,350	28,400	3,879	3,501	3,879	3,719
28,400	28,450	3,886	3,509	3,886	3,726
28,450	28,500	3,894	3,516	3,894	3,734
28,500	28,550	3,901	3,524	3,901	3,741
28,550	28,600	3,909	3,531	3,909	3,749
28,600	28,650	3,916	3,539	3,916	3,756
28,650	28,700	3,924	3,546	3,924	3,764
28,700	28,750	3,931	3,554	3,931	3,771
28,750	28,800	3,939	3,561	3,939	3,779
28,800	28,850	3,946	3,569	3,946	3,786
28,850	28,900	3,954	3,576	3,954	3,794
28,900	28,950	3,961	3,584	3,961	3,801
28,950	29,000	3,969	3,591	3,969	3,809
29,000					
29,000	29,050	3,976	3,599	3,976	3,816
29,050	29,100	3,984	3,606	3,984	3,824
29,100	29,150	3,991	3,614	3,991	3,831
29,150	29,200	3,999	3,621	3,999	3,839
29,200	29,250	4,006	3,629	4,006	3,846
29,250	29,300	4,014	3,636	4,014	3,854
29,300	29,350	4,021	3,644	4,021	3,861
29,350	29,400	4,029	3,651	4,029	3,869
29,400	29,450	4,036	3,659	4,036	3,876
29,450	29,500	4,044	3,666	4,044	3,884
29,500	29,550	4,051	3,674	4,051	3,891
29,550	29,600	4,059	3,681	4,059	3,899
29,600	29,650	4,066	3,689	4,066	3,906
29,650	29,700	4,074	3,696	4,074	3,914
29,700	29,750	4,081	3,704	4,081	3,921
29,750	29,800	4,089	3,711	4,089	3,929
29,800	29,850	4,096	3,719	4,096	3,936
29,850	29,900	4,104	3,726	4,104	3,944
29,900	29,950	4,111	3,734	4,111	3,951
29,950	30,000	4,119	3,741	4,119	3,959
30,000					
30,000	30,050	4,126	3,749	4,126	3,966
30,050	30,100	4,134	3,756	4,134	3,974
30,100	30,150	4,141	3,764	4,141	3,981
30,150	30,200	4,149	3,771	4,149	3,989
30,200	30,250	4,156	3,779	4,156	3,996
30,250	30,300	4,164	3,786	4,164	4,004
30,300	30,350	4,171	3,794	4,171	4,011
30,350	30,400	4,179	3,801	4,179	4,019
30,400	30,450	4,186	3,809	4,186	4,026
30,450	30,500	4,194	3,816	4,194	4,034
30,500	30,550	4,201	3,824	4,201	4,041
30,550	30,600	4,209	3,831	4,209	4,049
30,600	30,650	4,216	3,839	4,216	4,056
30,650	30,700	4,226	3,846	4,226	4,064
30,700	30,750	4,239	3,854	4,239	4,071
30,750	30,800	4,251	3,861	4,251	4,079
30,800	30,850	4,264	3,869	4,264	4,086
30,850	30,900	4,276	3,876	4,276	4,094
30,900	30,950	4,289	3,884	4,289	4,101
30,950	31,000	4,301	3,891	4,301	4,109
31,000					
31,000	31,050	4,314	3,899	4,314	4,116
31,050	31,100	4,326	3,906	4,326	4,124
31,100	31,150	4,339	3,914	4,339	4,131
31,150	31,200	4,351	3,921	4,351	4,139
31,200	31,250	4,364	3,929	4,364	4,146
31,250	31,300	4,376	3,936	4,376	4,154
31,300	31,350	4,389	3,944	4,389	4,161
31,350	31,400	4,401	3,951	4,401	4,169
31,400	31,450	4,414	3,959	4,414	4,176
31,450	31,500	4,426	3,966	4,426	4,184
31,500	31,550	4,439	3,974	4,439	4,191
31,550	31,600	4,451	3,981	4,451	4,199
31,600	31,650	4,464	3,989	4,464	4,206
31,650	31,700	4,476	3,996	4,476	4,214
31,700	31,750	4,489	4,004	4,489	4,221
31,750	31,800	4,501	4,011	4,501	4,229
31,800	31,850	4,514	4,019	4,514	4,236
31,850	31,900	4,526	4,026	4,526	4,244
31,900	31,950	4,539	4,034	4,539	4,251
31,950	32,000	4,551	4,041	4,551	4,259

* This column must also be used by a qualifying widow(er).

(Continued on page 71)

2006 Tax Table – *Continued*

If line 43 (taxable income) is — At least	But less than	And you are — Single	Married filing jointly *	Married filing separately	Head of a household — Your tax is —
32,000					
32,000	32,050	4,564	4,049	4,564	4,266
32,050	32,100	4,576	4,056	4,576	4,274
32,100	32,150	4,589	4,064	4,589	4,281
32,150	32,200	4,601	4,071	4,601	4,289
32,200	32,250	4,614	4,079	4,614	4,296
32,250	32,300	4,626	4,086	4,626	4,304
32,300	32,350	4,639	4,094	4,639	4,311
32,350	32,400	4,651	4,101	4,651	4,319
32,400	32,450	4,664	4,109	4,664	4,326
32,450	32,500	4,676	4,116	4,676	4,334
32,500	32,550	4,689	4,124	4,689	4,341
32,550	32,600	4,701	4,131	4,701	4,349
32,600	32,650	4,714	4,139	4,714	4,356
32,650	32,700	4,726	4,146	4,726	4,364
32,700	32,750	4,739	4,154	4,739	4,371
32,750	32,800	4,751	4,161	4,751	4,379
32,800	32,850	4,764	4,169	4,764	4,386
32,850	32,900	4,776	4,176	4,776	4,394
32,900	32,950	4,789	4,184	4,789	4,401
32,950	33,000	4,801	4,191	4,801	4,409
33,000					
33,000	33,050	4,814	4,199	4,814	4,416
33,050	33,100	4,826	4,206	4,826	4,424
33,100	33,150	4,839	4,214	4,839	4,431
33,150	33,200	4,851	4,221	4,851	4,439
33,200	33,250	4,864	4,229	4,864	4,446
33,250	33,300	4,876	4,236	4,876	4,454
33,300	33,350	4,889	4,244	4,889	4,461
33,350	33,400	4,901	4,251	4,901	4,469
33,400	33,450	4,914	4,259	4,914	4,476
33,450	33,500	4,926	4,266	4,926	4,484
33,500	33,550	4,939	4,274	4,939	4,491
33,550	33,600	4,951	4,281	4,951	4,499
33,600	33,650	4,964	4,289	4,964	4,506
33,650	33,700	4,976	4,296	4,976	4,514
33,700	33,750	4,989	4,304	4,989	4,521
33,750	33,800	5,001	4,311	5,001	4,529
33,800	33,850	5,014	4,319	5,014	4,536
33,850	33,900	5,026	4,326	5,026	4,544
33,900	33,950	5,039	4,334	5,039	4,551
33,950	34,000	5,051	4,341	5,051	4,559
34,000					
34,000	34,050	5,064	4,349	5,064	4,566
34,050	34,100	5,076	4,356	5,076	4,574
34,100	34,150	5,089	4,364	5,089	4,581
34,150	34,200	5,101	4,371	5,101	4,589
34,200	34,250	5,114	4,379	5,114	4,596
34,250	34,300	5,126	4,386	5,126	4,604
34,300	34,350	5,139	4,394	5,139	4,611
34,350	34,400	5,151	4,401	5,151	4,619
34,400	34,450	5,164	4,409	5,164	4,626
34,450	34,500	5,176	4,416	5,176	4,634
34,500	34,550	5,189	4,424	5,189	4,641
34,550	34,600	5,201	4,431	5,201	4,649
34,600	34,650	5,214	4,439	5,214	4,656
34,650	34,700	5,226	4,446	5,226	4,664
34,700	34,750	5,239	4,454	5,239	4,671
34,750	34,800	5,251	4,461	5,251	4,679
34,800	34,850	5,264	4,469	5,264	4,686
34,850	34,900	5,276	4,476	5,276	4,694
34,900	34,950	5,289	4,484	5,289	4,701
34,950	35,000	5,301	4,491	5,301	4,709
35,000					
35,000	35,050	5,314	4,499	5,314	4,716
35,050	35,100	5,326	4,506	5,326	4,724
35,100	35,150	5,339	4,514	5,339	4,731
35,150	35,200	5,351	4,521	5,351	4,739
35,200	35,250	5,364	4,529	5,364	4,746
35,250	35,300	5,376	4,536	5,376	4,754
35,300	35,350	5,389	4,544	5,389	4,761
35,350	35,400	5,401	4,551	5,401	4,769
35,400	35,450	5,414	4,559	5,414	4,776
35,450	35,500	5,426	4,566	5,426	4,784
35,500	35,550	5,439	4,574	5,439	4,791
35,550	35,600	5,451	4,581	5,451	4,799
35,600	35,650	5,464	4,589	5,464	4,806
35,650	35,700	5,476	4,596	5,476	4,814
35,700	35,750	5,489	4,604	5,489	4,821
35,750	35,800	5,501	4,611	5,501	4,829
35,800	35,850	5,514	4,619	5,514	4,836
35,850	35,900	5,526	4,626	5,526	4,844
35,900	35,950	5,539	4,634	5,539	4,851
35,950	36,000	5,551	4,641	5,551	4,859
36,000					
36,000	36,050	5,564	4,649	5,564	4,866
36,050	36,100	5,576	4,656	5,576	4,874
36,100	36,150	5,589	4,664	5,589	4,881
36,150	36,200	5,601	4,671	5,601	4,889
36,200	36,250	5,614	4,679	5,614	4,896
36,250	36,300	5,626	4,686	5,626	4,904
36,300	36,350	5,639	4,694	5,639	4,911
36,350	36,400	5,651	4,701	5,651	4,919
36,400	36,450	5,664	4,709	5,664	4,926
36,450	36,500	5,676	4,716	5,676	4,934
36,500	36,550	5,689	4,724	5,689	4,941
36,550	36,600	5,701	4,731	5,701	4,949
36,600	36,650	5,714	4,739	5,714	4,956
36,650	36,700	5,726	4,746	5,726	4,964
36,700	36,750	5,739	4,754	5,739	4,971
36,750	36,800	5,751	4,761	5,751	4,979
36,800	36,850	5,764	4,769	5,764	4,986
36,850	36,900	5,776	4,776	5,776	4,994
36,900	36,950	5,789	4,784	5,789	5,001
36,950	37,000	5,801	4,791	5,801	5,009
37,000					
37,000	37,050	5,814	4,799	5,814	5,016
37,050	37,100	5,826	4,806	5,826	5,024
37,100	37,150	5,839	4,814	5,839	5,031
37,150	37,200	5,851	4,821	5,851	5,039
37,200	37,250	5,864	4,829	5,864	5,046
37,250	37,300	5,876	4,836	5,876	5,054
37,300	37,350	5,889	4,844	5,889	5,061
37,350	37,400	5,901	4,851	5,901	5,069
37,400	37,450	5,914	4,859	5,914	5,076
37,450	37,500	5,926	4,866	5,926	5,084
37,500	37,550	5,939	4,874	5,939	5,091
37,550	37,600	5,951	4,881	5,951	5,099
37,600	37,650	5,964	4,889	5,964	5,106
37,650	37,700	5,976	4,896	5,976	5,114
37,700	37,750	5,989	4,904	5,989	5,121
37,750	37,800	6,001	4,911	6,001	5,129
37,800	37,850	6,014	4,919	6,014	5,136
37,850	37,900	6,026	4,926	6,026	5,144
37,900	37,950	6,039	4,934	6,039	5,151
37,950	38,000	6,051	4,941	6,051	5,159
38,000					
38,000	38,050	6,064	4,949	6,064	5,166
38,050	38,100	6,076	4,956	6,076	5,174
38,100	38,150	6,089	4,964	6,089	5,181
38,150	38,200	6,101	4,971	6,101	5,189
38,200	38,250	6,114	4,979	6,114	5,196
38,250	38,300	6,126	4,986	6,126	5,204
38,300	38,350	6,139	4,994	6,139	5,211
38,350	38,400	6,151	5,001	6,151	5,219
38,400	38,450	6,164	5,009	6,164	5,226
38,450	38,500	6,176	5,016	6,176	5,234
38,500	38,550	6,189	5,024	6,189	5,241
38,550	38,600	6,201	5,031	6,201	5,249
38,600	38,650	6,214	5,039	6,214	5,256
38,650	38,700	6,226	5,046	6,226	5,264
38,700	38,750	6,239	5,054	6,239	5,271
38,750	38,800	6,251	5,061	6,251	5,279
38,800	38,850	6,264	5,069	6,264	5,286
38,850	38,900	6,276	5,076	6,276	5,294
38,900	38,950	6,289	5,084	6,289	5,301
38,950	39,000	6,301	5,091	6,301	5,309
39,000					
39,000	39,050	6,314	5,099	6,314	5,316
39,050	39,100	6,326	5,106	6,326	5,324
39,100	39,150	6,339	5,114	6,339	5,331
39,150	39,200	6,351	5,121	6,351	5,339
39,200	39,250	6,364	5,129	6,364	5,346
39,250	39,300	6,376	5,136	6,376	5,354
39,300	39,350	6,389	5,144	6,389	5,361
39,350	39,400	6,401	5,151	6,401	5,369
39,400	39,450	6,414	5,159	6,414	5,376
39,450	39,500	6,426	5,166	6,426	5,384
39,500	39,550	6,439	5,174	6,439	5,391
39,550	39,600	6,451	5,181	6,451	5,399
39,600	39,650	6,464	5,189	6,464	5,406
39,650	39,700	6,476	5,196	6,476	5,414
39,700	39,750	6,489	5,204	6,489	5,421
39,750	39,800	6,501	5,211	6,501	5,429
39,800	39,850	6,514	5,219	6,514	5,436
39,850	39,900	6,526	5,226	6,526	5,444
39,900	39,950	6,539	5,234	6,539	5,451
39,950	40,000	6,551	5,241	6,551	5,459
40,000					
40,000	40,050	6,564	5,249	6,564	5,466
40,050	40,100	6,576	5,256	6,576	5,474
40,100	40,150	6,589	5,264	6,589	5,481
40,150	40,200	6,601	5,271	6,601	5,489
40,200	40,250	6,614	5,279	6,614	5,496
40,250	40,300	6,626	5,286	6,626	5,504
40,300	40,350	6,639	5,294	6,639	5,511
40,350	40,400	6,651	5,301	6,651	5,519
40,400	40,450	6,664	5,309	6,664	5,526
40,450	40,500	6,676	5,316	6,676	5,534
40,500	40,550	6,689	5,324	6,689	5,541
40,550	40,600	6,701	5,331	6,701	5,549
40,600	40,650	6,714	5,339	6,714	5,556
40,650	40,700	6,726	5,346	6,726	5,564
40,700	40,750	6,739	5,354	6,739	5,571
40,750	40,800	6,751	5,361	6,751	5,579
40,800	40,850	6,764	5,369	6,764	5,586
40,850	40,900	6,776	5,376	6,776	5,594
40,900	40,950	6,789	5,384	6,789	5,601
40,950	41,000	6,801	5,391	6,801	5,609

* This column must also be used by a qualifying widow(er)

(Continued on page 72)

2006 Tax Table – *Continued*

If line 43 (taxable income) is — At least	But less than	And you are — Single	Married filing jointly *	Married filing separately	Head of a household — Your tax is —
41,000					
41,000	41,050	6,814	5,399	6,814	5,616
41,050	41,100	6,826	5,406	6,826	5,626
41,100	41,150	6,839	5,414	6,839	5,639
41,150	41,200	6,851	5,421	6,851	5,651
41,200	41,250	6,864	5,429	6,864	5,664
41,250	41,300	6,876	5,436	6,876	5,676
41,300	41,350	6,889	5,444	6,889	5,689
41,350	41,400	6,901	5,451	6,901	5,701
41,400	41,450	6,914	5,459	6,914	5,714
41,450	41,500	6,926	5,466	6,926	5,726
41,500	41,550	6,939	5,474	6,939	5,739
41,550	41,600	6,951	5,481	6,951	5,751
41,600	41,650	6,964	5,489	6,964	5,764
41,650	41,700	6,976	5,496	6,976	5,776
41,700	41,750	6,989	5,504	6,989	5,789
41,750	41,800	7,001	5,511	7,001	5,801
41,800	41,850	7,014	5,519	7,014	5,814
41,850	41,900	7,026	5,526	7,026	5,826
41,900	41,950	7,039	5,534	7,039	5,839
41,950	42,000	7,051	5,541	7,051	5,851
42,000					
42,000	42,050	7,064	5,549	7,064	5,864
42,050	42,100	7,076	5,556	7,076	5,876
42,100	42,150	7,089	5,564	7,089	5,889
42,150	42,200	7,101	5,571	7,101	5,901
42,200	42,250	7,114	5,579	7,114	5,914
42,250	42,300	7,126	5,586	7,126	5,926
42,300	42,350	7,139	5,594	7,139	5,939
42,350	42,400	7,151	5,601	7,151	5,951
42,400	42,450	7,164	5,609	7,164	5,964
42,450	42,500	7,176	5,616	7,176	5,976
42,500	42,550	7,189	5,624	7,189	5,989
42,550	42,600	7,201	5,631	7,201	6,001
42,600	42,650	7,214	5,639	7,214	6,014
42,650	42,700	7,226	5,646	7,226	6,026
42,700	42,750	7,239	5,654	7,239	6,039
42,750	42,800	7,251	5,661	7,251	6,051
42,800	42,850	7,264	5,669	7,264	6,064
42,850	42,900	7,276	5,676	7,276	6,076
42,900	42,950	7,289	5,684	7,289	6,089
42,950	43,000	7,301	5,691	7,301	6,101
43,000					
43,000	43,050	7,314	5,699	7,314	6,114
43,050	43,100	7,326	5,706	7,326	6,126
43,100	43,150	7,339	5,714	7,339	6,139
43,150	43,200	7,351	5,721	7,351	6,151
43,200	43,250	7,364	5,729	7,364	6,164
43,250	43,300	7,376	5,736	7,376	6,176
43,300	43,350	7,389	5,744	7,389	6,189
43,350	43,400	7,401	5,751	7,401	6,201
43,400	43,450	7,414	5,759	7,414	6,214
43,450	43,500	7,426	5,766	7,426	6,226
43,500	43,550	7,439	5,774	7,439	6,239
43,550	43,600	7,451	5,781	7,451	6,251
43,600	43,650	7,464	5,789	7,464	6,264
43,650	43,700	7,476	5,796	7,476	6,276
43,700	43,750	7,489	5,804	7,489	6,289
43,750	43,800	7,501	5,811	7,501	6,301
43,800	43,850	7,514	5,819	7,514	6,314
43,850	43,900	7,526	5,826	7,526	6,326
43,900	43,950	7,539	5,834	7,539	6,338
43,950	44,000	7,551	5,841	7,551	6,351
44,000					
44,000	44,050	7,564	5,849	7,564	6,364
44,050	44,100	7,576	5,856	7,576	6,376
44,100	44,150	7,589	5,864	7,589	6,389
44,150	44,200	7,601	5,871	7,601	6,401
44,200	44,250	7,614	5,879	7,614	6,414
44,250	44,300	7,626	5,886	7,626	6,426
44,300	44,350	7,639	5,894	7,639	6,439
44,350	44,400	7,651	5,901	7,651	6,451
44,400	44,450	7,664	5,909	7,664	6,464
44,450	44,500	7,676	5,916	7,676	6,476
44,500	44,550	7,689	5,924	7,689	6,489
44,550	44,600	7,701	5,931	7,701	6,501
44,600	44,650	7,714	5,939	7,714	6,514
44,650	44,700	7,726	5,946	7,726	6,526
44,700	44,750	7,739	5,954	7,739	6,539
44,750	44,800	7,751	5,961	7,751	6,551
44,800	44,850	7,764	5,969	7,764	6,564
44,850	44,900	7,776	5,976	7,776	6,576
44,900	44,950	7,789	5,984	7,789	6,589
44,950	45,000	7,801	5,991	7,801	6,601
45,000					
45,000	45,050	7,814	5,999	7,814	6,614
45,050	45,100	7,826	6,006	7,826	6,626
45,100	45,150	7,839	6,014	7,839	6,639
45,150	45,200	7,851	6,021	7,851	6,651
45,200	45,250	7,864	6,029	7,864	6,664
45,250	45,300	7,876	6,036	7,876	6,676
45,300	45,350	7,889	6,044	7,889	6,689
45,350	45,400	7,901	6,051	7,901	6,701
45,400	45,450	7,914	6,059	7,914	6,714
45,450	45,500	7,926	6,066	7,926	6,726
45,500	45,550	7,939	6,074	7,939	6,739
45,550	45,600	7,951	6,081	7,951	6,751
45,600	45,650	7,964	6,089	7,964	6,764
45,650	45,700	7,976	6,096	7,976	6,776
45,700	45,750	7,989	6,104	7,989	6,789
45,750	45,800	8,001	6,111	8,001	6,801
45,800	45,850	8,014	6,119	8,014	6,814
45,850	45,900	8,026	6,126	8,026	6,826
45,900	45,950	8,039	6,134	8,039	6,839
45,950	46,000	8,051	6,141	8,051	6,851
46,000					
46,000	46,050	8,064	6,149	8,064	6,864
46,050	46,100	8,076	6,156	8,076	6,876
46,100	46,150	8,089	6,164	8,089	6,889
46,150	46,200	8,101	6,171	8,101	6,901
46,200	46,250	8,114	6,179	8,114	6,914
46,250	46,300	8,126	6,186	8,126	6,926
46,300	46,350	8,139	6,194	8,139	6,939
46,350	46,400	8,151	6,201	8,151	6,951
46,400	46,450	8,164	6,209	8,164	6,964
46,450	46,500	8,176	6,216	8,176	6,976
46,500	46,550	8,189	6,224	8,189	6,989
46,550	46,600	8,201	6,231	8,201	7,001
46,600	46,650	8,214	6,239	8,214	7,014
46,650	46,700	8,226	6,246	8,226	7,026
46,700	46,750	8,239	6,254	8,239	7,039
46,750	46,800	8,251	6,261	8,251	7,051
46,800	46,850	8,264	6,269	8,264	7,064
46,850	46,900	8,276	6,276	8,276	7,076
46,900	46,950	8,289	6,284	8,289	7,089
46,950	47,000	8,301	6,291	8,301	7,101
47,000					
47,000	47,050	8,314	6,299	8,314	7,114
47,050	47,100	8,326	6,306	8,326	7,126
47,100	47,150	8,339	6,314	8,339	7,139
47,150	47,200	8,351	6,321	8,351	7,151
47,200	47,250	8,364	6,329	8,364	7,164
47,250	47,300	8,376	6,336	8,376	7,176
47,300	47,350	8,389	6,344	8,389	7,189
47,350	47,400	8,401	6,351	8,401	7,201
47,400	47,450	8,414	6,359	8,414	7,214
47,450	47,500	8,426	6,366	8,426	7,226
47,500	47,550	8,439	6,374	8,439	7,239
47,550	47,600	8,451	6,381	8,451	7,251
47,600	47,650	8,464	6,389	8,464	7,264
47,650	47,700	8,476	6,396	8,476	7,276
47,700	47,750	8,489	6,404	8,489	7,289
47,750	47,800	8,501	6,411	8,501	7,301
47,800	47,850	8,514	6,419	8,514	7,314
47,850	47,900	8,526	6,426	8,526	7,326
47,900	47,950	8,539	6,434	8,539	7,339
47,950	48,000	8,551	6,441	8,551	7,351
48,000					
48,000	48,050	8,564	6,449	8,564	7,364
48,050	48,100	8,576	6,456	8,576	7,376
48,100	48,150	8,589	6,464	8,589	7,389
48,150	48,200	8,601	6,471	8,601	7,401
48,200	48,250	8,614	6,479	8,614	7,414
48,250	48,300	8,626	6,486	8,626	7,426
48,300	48,350	8,639	6,494	8,639	7,439
48,350	48,400	8,651	6,501	8,651	7,451
48,400	48,450	8,664	6,509	8,664	7,464
48,450	48,500	8,676	6,516	8,676	7,476
48,500	48,550	8,689	6,524	8,689	7,489
48,550	48,600	8,701	6,531	8,701	7,501
48,600	48,650	8,714	6,539	8,714	7,514
48,650	48,700	8,726	6,546	8,726	7,526
48,700	48,750	8,739	6,554	8,739	7,539
48,750	48,800	8,751	6,561	8,751	7,551
48,800	48,850	8,764	6,569	8,764	7,564
48,850	48,900	8,776	6,576	8,776	7,576
48,900	48,950	8,789	6,584	8,789	7,589
48,950	49,000	8,801	6,591	8,801	7,601
49,000					
49,000	49,050	8,814	6,599	8,814	7,614
49,050	49,100	8,826	6,606	8,826	7,626
49,100	49,150	8,839	6,614	8,839	7,639
49,150	49,200	8,851	6,621	8,851	7,651
49,200	49,250	8,864	6,629	8,864	7,664
49,250	49,300	8,876	6,636	8,876	7,676
49,300	49,350	8,889	6,644	8,889	7,689
49,350	49,400	8,901	6,651	8,901	7,701
49,400	49,450	8,914	6,659	8,914	7,714
49,450	49,500	8,926	6,666	8,926	7,726
49,500	49,550	8,939	6,674	8,939	7,739
49,550	49,600	8,951	6,681	8,951	7,751
49,600	49,650	8,964	6,689	8,964	7,764
49,650	49,700	8,976	6,696	8,976	7,776
49,700	49,750	8,989	6,704	8,989	7,789
49,750	49,800	9,001	6,711	9,001	7,801
49,800	49,850	9,014	6,719	9,014	7,814
49,850	49,900	9,026	6,726	9,026	7,826
49,900	49,950	9,039	6,734	9,039	7,839
49,950	50,000	9,051	6,741	9,051	7,851

* This column must also be used by a qualifying widow(er).

(Continued on page 73)

2006 Tax Table–*Continued*

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
50,000					
50,000	50,050	9,064	6,749	9,064	7,864
50,050	50,100	9,076	6,756	9,076	7,876
50,100	50,150	9,089	6,764	9,089	7,889
50,150	50,200	9,101	6,771	9,101	7,901
50,200	50,250	9,114	6,779	9,114	7,914
50,250	50,300	9,126	6,786	9,126	7,926
50,300	50,350	9,139	6,794	9,139	7,939
50,350	50,400	9,151	6,801	9,151	7,951
50,400	50,450	9,164	6,809	9,164	7,964
50,450	50,500	9,176	6,816	9,176	7,976
50,500	50,550	9,189	6,824	9,189	7,989
50,550	50,600	9,201	6,831	9,201	8,001
50,600	50,650	9,214	6,839	9,214	8,014
50,650	50,700	9,226	6,846	9,226	8,026
50,700	50,750	9,239	6,854	9,239	8,039
50,750	50,800	9,251	6,861	9,251	8,051
50,800	50,850	9,264	6,869	9,264	8,064
50,850	50,900	9,276	6,876	9,276	8,076
50,900	50,950	9,289	6,884	9,289	8,089
50,950	51,000	9,301	6,891	9,301	8,101
51,000					
51,000	51,050	9,314	6,899	9,314	8,114
51,050	51,100	9,326	6,906	9,326	8,126
51,100	51,150	9,339	6,914	9,339	8,139
51,150	51,200	9,351	6,921	9,351	8,151
51,200	51,250	9,364	6,929	9,364	8,164
51,250	51,300	9,376	6,936	9,376	8,176
51,300	51,350	9,389	6,944	9,389	8,189
51,350	51,400	9,401	6,951	9,401	8,201
51,400	51,450	9,414	6,959	9,414	8,214
51,450	51,500	9,426	6,966	9,426	8,226
51,500	51,550	9,439	6,974	9,439	8,239
51,550	51,600	9,451	6,981	9,451	8,251
51,600	51,650	9,464	6,989	9,464	8,264
51,650	51,700	9,476	6,996	9,476	8,276
51,700	51,750	9,489	7,004	9,489	8,289
51,750	51,800	9,501	7,011	9,501	8,301
51,800	51,850	9,514	7,019	9,514	8,314
51,850	51,900	9,526	7,026	9,526	8,326
51,900	51,950	9,539	7,034	9,539	8,339
51,950	52,000	9,551	7,041	9,551	8,351
52,000					
52,000	52,050	9,564	7,049	9,564	8,364
52,050	52,100	9,576	7,056	9,576	8,376
52,100	52,150	9,589	7,064	9,589	8,389
52,150	52,200	9,601	7,071	9,601	8,401
52,200	52,250	9,614	7,079	9,614	8,414
52,250	52,300	9,626	7,086	9,626	8,426
52,300	52,350	9,639	7,094	9,639	8,439
52,350	52,400	9,651	7,101	9,651	8,451
52,400	52,450	9,664	7,109	9,664	8,464
52,450	52,500	9,676	7,116	9,676	8,476
52,500	52,550	9,689	7,124	9,689	8,489
52,550	52,600	9,701	7,131	9,701	8,501
52,600	52,650	9,714	7,139	9,714	8,514
52,650	52,700	9,726	7,146	9,726	8,526
52,700	52,750	9,739	7,154	9,739	8,539
52,750	52,800	9,751	7,161	9,751	8,551
52,800	52,850	9,764	7,169	9,764	8,564
52,850	52,900	9,776	7,176	9,776	8,576
52,900	52,950	9,789	7,184	9,789	8,589
52,950	53,000	9,801	7,191	9,801	8,601
53,000					
53,000	53,050	9,814	7,199	9,814	8,614
53,050	53,100	9,826	7,206	9,826	8,626
53,100	53,150	9,839	7,214	9,839	8,639
53,150	53,200	9,851	7,221	9,851	8,651
53,200	53,250	9,864	7,229	9,864	8,664
53,250	53,300	9,876	7,236	9,876	8,676
53,300	53,350	9,889	7,244	9,889	8,689
53,350	53,400	9,901	7,251	9,901	8,701
53,400	53,450	9,914	7,259	9,914	8,714
53,450	53,500	9,926	7,266	9,926	8,726
53,500	53,550	9,939	7,274	9,939	8,739
53,550	53,600	9,951	7,281	9,951	8,751
53,600	53,650	9,964	7,289	9,964	8,764
53,650	53,700	9,976	7,296	9,976	8,776
53,700	53,750	9,989	7,304	9,989	8,789
53,750	53,800	10,001	7,311	10,001	8,801
53,800	53,850	10,014	7,319	10,014	8,814
53,850	53,900	10,026	7,326	10,026	8,826
53,900	53,950	10,039	7,334	10,039	8,839
53,950	54,000	10,051	7,341	10,051	8,851
54,000					
54,000	54,050	10,064	7,349	10,064	8,864
54,050	54,100	10,076	7,356	10,076	8,876
54,100	54,150	10,089	7,364	10,089	8,889
54,150	54,200	10,101	7,371	10,101	8,901
54,200	54,250	10,114	7,379	10,114	8,914
54,250	54,300	10,126	7,386	10,126	8,926
54,300	54,350	10,139	7,394	10,139	8,939
54,350	54,400	10,151	7,401	10,151	8,951
54,400	54,450	10,164	7,409	10,164	8,964
54,450	54,500	10,176	7,416	10,176	8,976
54,500	54,550	10,189	7,424	10,189	8,989
54,550	54,600	10,201	7,431	10,201	9,001
54,600	54,650	10,214	7,439	10,214	9,014
54,650	54,700	10,226	7,446	10,226	9,026
54,700	54,750	10,239	7,454	10,239	9,039
54,750	54,800	10,251	7,461	10,251	9,051
54,800	54,850	10,264	7,469	10,264	9,064
54,850	54,900	10,276	7,476	10,276	9,076
54,900	54,950	10,289	7,484	10,289	9,089
54,950	55,000	10,301	7,491	10,301	9,101
55,000					
55,000	55,050	10,314	7,499	10,314	9,114
55,050	55,100	10,326	7,506	10,326	9,126
55,100	55,150	10,339	7,514	10,339	9,139
55,150	55,200	10,351	7,521	10,351	9,151
55,200	55,250	10,364	7,529	10,364	9,164
55,250	55,300	10,376	7,536	10,376	9,176
55,300	55,350	10,389	7,544	10,389	9,189
55,350	55,400	10,401	7,551	10,401	9,201
55,400	55,450	10,414	7,559	10,414	9,214
55,450	55,500	10,426	7,566	10,426	9,226
55,500	55,550	10,439	7,574	10,439	9,239
55,550	55,600	10,451	7,581	10,451	9,251
55,600	55,650	10,464	7,589	10,464	9,264
55,650	55,700	10,476	7,596	10,476	9,276
55,700	55,750	10,489	7,604	10,489	9,289
55,750	55,800	10,501	7,611	10,501	9,301
55,800	55,850	10,514	7,619	10,514	9,314
55,850	55,900	10,526	7,626	10,526	9,326
55,900	55,950	10,539	7,634	10,539	9,339
55,950	56,000	10,551	7,641	10,551	9,351
56,000					
56,000	56,050	10,564	7,649	10,564	9,364
56,050	56,100	10,576	7,656	10,576	9,376
56,100	56,150	10,589	7,664	10,589	9,389
56,150	56,200	10,601	7,671	10,601	9,401
56,200	56,250	10,614	7,679	10,614	9,414
56,250	56,300	10,626	7,686	10,626	9,426
56,300	56,350	10,639	7,694	10,639	9,439
56,350	56,400	10,651	7,701	10,651	9,451
56,400	56,450	10,664	7,709	10,664	9,464
56,450	56,500	10,676	7,716	10,676	9,476
56,500	56,550	10,689	7,724	10,689	9,489
56,550	56,600	10,701	7,731	10,701	9,501
56,600	56,650	10,714	7,739	10,714	9,514
56,650	56,700	10,726	7,746	10,726	9,526
56,700	56,750	10,739	7,754	10,739	9,539
56,750	56,800	10,751	7,761	10,751	9,551
56,800	56,850	10,764	7,769	10,764	9,564
56,850	56,900	10,776	7,776	10,776	9,576
56,900	56,950	10,789	7,784	10,789	9,589
56,950	57,000	10,801	7,791	10,801	9,601
57,000					
57,000	57,050	10,814	7,799	10,814	9,614
57,050	57,100	10,826	7,806	10,826	9,626
57,100	57,150	10,839	7,814	10,839	9,639
57,150	57,200	10,851	7,821	10,851	9,651
57,200	57,250	10,864	7,829	10,864	9,664
57,250	57,300	10,876	7,836	10,876	9,676
57,300	57,350	10,889	7,844	10,889	9,689
57,350	57,400	10,901	7,851	10,901	9,701
57,400	57,450	10,914	7,859	10,914	9,714
57,450	57,500	10,926	7,866	10,926	9,726
57,500	57,550	10,939	7,874	10,939	9,739
57,550	57,600	10,951	7,881	10,951	9,751
57,600	57,650	10,964	7,889	10,964	9,764
57,650	57,700	10,976	7,896	10,976	9,776
57,700	57,750	10,989	7,904	10,989	9,789
57,750	57,800	11,001	7,911	11,001	9,801
57,800	57,850	11,014	7,919	11,014	9,814
57,850	57,900	11,026	7,926	11,026	9,826
57,900	57,950	11,039	7,934	11,039	9,839
57,950	58,000	11,051	7,941	11,051	9,851
58,000					
58,000	58,050	11,064	7,949	11,064	9,864
58,050	58,100	11,076	7,956	11,076	9,876
58,100	58,150	11,089	7,964	11,089	9,889
58,150	58,200	11,101	7,971	11,101	9,901
58,200	58,250	11,114	7,979	11,114	9,914
58,250	58,300	11,126	7,986	11,126	9,926
58,300	58,350	11,139	7,994	11,139	9,939
58,350	58,400	11,151	8,001	11,151	9,951
58,400	58,450	11,164	8,009	11,164	9,964
58,450	58,500	11,176	8,016	11,176	9,976
58,500	58,550	11,189	8,024	11,189	9,989
58,550	58,600	11,201	8,031	11,201	10,001
58,600	58,650	11,214	8,039	11,214	10,014
58,650	58,700	11,226	8,046	11,226	10,026
58,700	58,750	11,239	8,054	11,239	10,039
58,750	58,800	11,251	8,061	11,251	10,051
58,800	58,850	11,264	8,069	11,264	10,064
58,850	58,900	11,276	8,076	11,276	10,076
58,900	58,950	11,289	8,084	11,289	10,089
58,950	59,000	11,301	8,091	11,301	10,101

* This column must also be used by a qualifying widow(er)

(Continued on page 74)

2006 Tax Table–*Continued*

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
59,000					
59,000	59,050	11,314	8,099	11,314	10,114
59,050	59,100	11,326	8,106	11,326	10,126
59,100	59,150	11,339	8,114	11,339	10,139
59,150	59,200	11,351	8,121	11,351	10,151
59,200	59,250	11,364	8,129	11,364	10,164
59,250	59,300	11,376	8,136	11,376	10,176
59,300	59,350	11,389	8,144	11,389	10,189
59,350	59,400	11,401	8,151	11,401	10,201
59,400	59,450	11,414	8,159	11,414	10,214
59,450	59,500	11,426	8,166	11,426	10,226
59,500	59,550	11,439	8,174	11,439	10,239
59,550	59,600	11,451	8,181	11,451	10,251
59,600	59,650	11,464	8,189	11,464	10,264
59,650	59,700	11,476	8,196	11,476	10,276
59,700	59,750	11,489	8,204	11,489	10,289
59,750	59,800	11,501	8,211	11,501	10,301
59,800	59,850	11,514	8,219	11,514	10,314
59,850	59,900	11,526	8,226	11,526	10,326
59,900	59,950	11,539	8,234	11,539	10,339
59,950	60,000	11,551	8,241	11,551	10,351
60,000					
60,000	60,050	11,564	8,249	11,564	10,364
60,050	60,100	11,576	8,256	11,576	10,376
60,100	60,150	11,589	8,264	11,589	10,389
60,150	60,200	11,601	8,271	11,601	10,401
60,200	60,250	11,614	8,279	11,614	10,414
60,250	60,300	11,626	8,286	11,626	10,426
60,300	60,350	11,639	8,294	11,639	10,439
60,350	60,400	11,651	8,301	11,651	10,451
60,400	60,450	11,664	8,309	11,664	10,464
60,450	60,500	11,676	8,316	11,676	10,476
60,500	60,550	11,689	8,324	11,689	10,489
60,550	60,600	11,701	8,331	11,701	10,501
60,600	60,650	11,714	8,339	11,714	10,514
60,650	60,700	11,726	8,346	11,726	10,526
60,700	60,750	11,739	8,354	11,739	10,539
60,750	60,800	11,751	8,361	11,751	10,551
60,800	60,850	11,764	8,369	11,764	10,564
60,850	60,900	11,776	8,376	11,776	10,576
60,900	60,950	11,789	8,384	11,789	10,589
60,950	61,000	11,801	8,391	11,801	10,601
61,000					
61,000	61,050	11,814	8,399	11,814	10,614
61,050	61,100	11,826	8,406	11,826	10,626
61,100	61,150	11,839	8,414	11,839	10,639
61,150	61,200	11,851	8,421	11,851	10,651
61,200	61,250	11,864	8,429	11,864	10,664
61,250	61,300	11,876	8,436	11,876	10,676
61,300	61,350	11,889	8,446	11,889	10,689
61,350	61,400	11,901	8,459	11,901	10,701
61,400	61,450	11,914	8,471	11,914	10,714
61,450	61,500	11,926	8,484	11,926	10,726
61,500	61,550	11,939	8,496	11,939	10,739
61,550	61,600	11,951	8,509	11,951	10,751
61,600	61,650	11,964	8,521	11,964	10,764
61,650	61,700	11,976	8,534	11,976	10,776
61,700	61,750	11,989	8,546	11,989	10,789
61,750	61,800	12,001	8,559	12,001	10,801
61,800	61,850	12,014	8,571	12,014	10,814
61,850	61,900	12,026	8,584	12,027	10,826
61,900	61,950	12,039	8,596	12,041	10,839
61,950	62,000	12,051	8,609	12,055	10,851
62,000					
62,000	62,050	12,064	8,621	12,069	10,864
62,050	62,100	12,076	8,634	12,083	10,876
62,100	62,150	12,089	8,646	12,097	10,889
62,150	62,200	12,101	8,659	12,111	10,901
62,200	62,250	12,114	8,671	12,125	10,914
62,250	62,300	12,126	8,684	12,139	10,926
62,300	62,350	12,139	8,696	12,153	10,939
62,350	62,400	12,151	8,709	12,167	10,951
62,400	62,450	12,164	8,721	12,181	10,964
62,450	62,500	12,176	8,734	12,195	10,976
62,500	62,550	12,189	8,746	12,209	10,989
62,550	62,600	12,201	8,759	12,223	11,001
62,600	62,650	12,214	8,771	12,237	11,014
62,650	62,700	12,226	8,784	12,251	11,026
62,700	62,750	12,239	8,796	12,265	11,039
62,750	62,800	12,251	8,809	12,279	11,051
62,800	62,850	12,264	8,821	12,293	11,064
62,850	62,900	12,276	8,834	12,307	11,076
62,900	62,950	12,289	8,846	12,321	11,089
62,950	63,000	12,301	8,859	12,335	11,101
63,000					
63,000	63,050	12,314	8,871	12,349	11,114
63,050	63,100	12,326	8,884	12,363	11,126
63,100	63,150	12,339	8,896	12,377	11,139
63,150	63,200	12,351	8,909	12,391	11,151
63,200	63,250	12,364	8,921	12,405	11,164
63,250	63,300	12,376	8,934	12,419	11,176
63,300	63,350	12,389	8,946	12,433	11,189
63,350	63,400	12,401	8,959	12,447	11,201
63,400	63,450	12,414	8,971	12,461	11,214
63,450	63,500	12,426	8,984	12,475	11,226
63,500	63,550	12,439	8,996	12,489	11,239
63,550	63,600	12,451	9,009	12,503	11,251
63,600	63,650	12,464	9,021	12,517	11,264
63,650	63,700	12,476	9,034	12,531	11,276
63,700	63,750	12,489	9,046	12,545	11,289
63,750	63,800	12,501	9,059	12,559	11,301
63,800	63,850	12,514	9,071	12,573	11,314
63,850	63,900	12,526	9,084	12,587	11,326
63,900	63,950	12,539	9,096	12,601	11,339
63,950	64,000	12,551	9,109	12,615	11,351
64,000					
64,000	64,050	12,564	9,121	12,629	11,364
64,050	64,100	12,576	9,134	12,643	11,376
64,100	64,150	12,589	9,146	12,657	11,389
64,150	64,200	12,601	9,159	12,671	11,401
64,200	64,250	12,614	9,171	12,685	11,414
64,250	64,300	12,626	9,184	12,699	11,426
64,300	64,350	12,639	9,196	12,713	11,439
64,350	64,400	12,651	9,209	12,727	11,451
64,400	64,450	12,664	9,221	12,741	11,464
64,450	64,500	12,676	9,234	12,755	11,476
64,500	64,550	12,689	9,246	12,769	11,489
64,550	64,600	12,701	9,259	12,783	11,501
64,600	64,650	12,714	9,271	12,797	11,514
64,650	64,700	12,726	9,284	12,811	11,526
64,700	64,750	12,739	9,296	12,825	11,539
64,750	64,800	12,751	9,309	12,839	11,551
64,800	64,850	12,764	9,321	12,853	11,564
64,850	64,900	12,776	9,334	12,867	11,576
64,900	64,950	12,789	9,346	12,881	11,589
64,950	65,000	12,801	9,359	12,895	11,601
65,000					
65,000	65,050	12,814	9,371	12,909	11,614
65,050	65,100	12,826	9,384	12,923	11,626
65,100	65,150	12,839	9,396	12,937	11,639
65,150	65,200	12,851	9,409	12,951	11,651
65,200	65,250	12,864	9,421	12,965	11,664
65,250	65,300	12,876	9,434	12,979	11,676
65,300	65,350	12,889	9,446	12,993	11,689
65,350	65,400	12,901	9,459	13,007	11,701
65,400	65,450	12,914	9,471	13,021	11,714
65,450	65,500	12,926	9,484	13,035	11,726
65,500	65,550	12,939	9,496	13,049	11,739
65,550	65,600	12,951	9,509	13,063	11,751
65,600	65,650	12,964	9,521	13,077	11,764
65,650	65,700	12,976	9,534	13,091	11,776
65,700	65,750	12,989	9,546	13,105	11,789
65,750	65,800	13,001	9,559	13,119	11,801
65,800	65,850	13,014	9,571	13,133	11,814
65,850	65,900	13,026	9,584	13,147	11,826
65,900	65,950	13,039	9,596	13,161	11,839
65,950	66,000	13,051	9,609	13,175	11,851
66,000					
66,000	66,050	13,064	9,621	13,189	11,864
66,050	66,100	13,076	9,634	13,203	11,876
66,100	66,150	13,089	9,646	13,217	11,889
66,150	66,200	13,101	9,659	13,231	11,901
66,200	66,250	13,114	9,671	13,245	11,914
66,250	66,300	13,126	9,684	13,259	11,926
66,300	66,350	13,139	9,696	13,273	11,939
66,350	66,400	13,151	9,709	13,287	11,951
66,400	66,450	13,164	9,721	13,301	11,964
66,450	66,500	13,176	9,734	13,315	11,976
66,500	66,550	13,189	9,746	13,329	11,989
66,550	66,600	13,201	9,759	13,343	12,001
66,600	66,650	13,214	9,771	13,357	12,014
66,650	66,700	13,226	9,784	13,371	12,026
66,700	66,750	13,239	9,796	13,385	12,039
66,750	66,800	13,251	9,809	13,399	12,051
66,800	66,850	13,264	9,821	13,413	12,064
66,850	66,900	13,276	9,834	13,427	12,076
66,900	66,950	13,289	9,846	13,441	12,089
66,950	67,000	13,301	9,859	13,455	12,101
67,000					
67,000	67,050	13,314	9,871	13,469	12,114
67,050	67,100	13,326	9,884	13,483	12,126
67,100	67,150	13,339	9,896	13,497	12,139
67,150	67,200	13,351	9,909	13,511	12,151
67,200	67,250	13,364	9,921	13,525	12,164
67,250	67,300	13,376	9,934	13,539	12,176
67,300	67,350	13,389	9,946	13,553	12,189
67,350	67,400	13,401	9,959	13,567	12,201
67,400	67,450	13,414	9,971	13,581	12,214
67,450	67,500	13,426	9,984	13,595	12,226
67,500	67,550	13,439	9,996	13,609	12,239
67,550	67,600	13,451	10,009	13,623	12,251
67,600	67,650	13,464	10,021	13,637	12,264
67,650	67,700	13,476	10,034	13,651	12,276
67,700	67,750	13,489	10,046	13,665	12,289
67,750	67,800	13,501	10,059	13,679	12,301
67,800	67,850	13,514	10,071	13,693	12,314
67,850	67,900	13,526	10,084	13,707	12,326
67,900	67,950	13,539	10,096	13,721	12,339
67,950	68,000	13,551	10,109	13,735	12,351

* This column must also be used by a qualifying widow(er)

(Continued on page 75)

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
68,000					
68,000	68,050	13,564	10,121	13,749	12,364
68,050	68,100	13,576	10,134	13,763	12,376
68,100	68,150	13,589	10,146	13,777	12,389
68,150	68,200	13,601	10,159	13,791	12,401
68,200	68,250	13,614	10,171	13,805	12,414
68,250	68,300	13,626	10,184	13,819	12,426
68,300	68,350	13,639	10,196	13,833	12,439
68,350	68,400	13,651	10,209	13,847	12,451
68,400	68,450	13,664	10,221	13,861	12,464
68,450	68,500	13,676	10,234	13,875	12,476
68,500	68,550	13,689	10,246	13,889	12,489
68,550	68,600	13,701	10,259	13,903	12,501
68,600	68,650	13,714	10,271	13,917	12,514
68,650	68,700	13,726	10,284	13,931	12,526
68,700	68,750	13,739	10,296	13,945	12,539
68,750	68,800	13,751	10,309	13,959	12,551
68,800	68,850	13,764	10,321	13,973	12,564
68,850	68,900	13,776	10,334	13,987	12,576
68,900	68,950	13,789	10,346	14,001	12,589
68,950	69,000	13,801	10,359	14,015	12,601
69,000					
69,000	69,050	13,814	10,371	14,029	12,614
69,050	69,100	13,826	10,384	14,043	12,626
69,100	69,150	13,839	10,396	14,057	12,639
69,150	69,200	13,851	10,409	14,071	12,651
69,200	69,250	13,864	10,421	14,085	12,664
69,250	69,300	13,876	10,434	14,099	12,676
69,300	69,350	13,889	10,446	14,113	12,689
69,350	69,400	13,901	10,459	14,127	12,701
69,400	69,450	13,914	10,471	14,141	12,714
69,450	69,500	13,926	10,484	14,155	12,726
69,500	69,550	13,939	10,496	14,169	12,739
69,550	69,600	13,951	10,509	14,183	12,751
69,600	69,650	13,964	10,521	14,197	12,764
69,650	69,700	13,976	10,534	14,211	12,776
69,700	69,750	13,989	10,546	14,225	12,789
69,750	69,800	14,001	10,559	14,239	12,801
69,800	69,850	14,014	10,571	14,253	12,814
69,850	69,900	14,026	10,584	14,267	12,826
69,900	69,950	14,039	10,596	14,281	12,839
69,950	70,000	14,051	10,609	14,295	12,851
70,000					
70,000	70,050	14,064	10,621	14,309	12,864
70,050	70,100	14,076	10,634	14,323	12,876
70,100	70,150	14,089	10,646	14,337	12,889
70,150	70,200	14,101	10,659	14,351	12,901
70,200	70,250	14,114	10,671	14,365	12,914
70,250	70,300	14,126	10,684	14,379	12,926
70,300	70,350	14,139	10,696	14,393	12,939
70,350	70,400	14,151	10,709	14,407	12,951
70,400	70,450	14,164	10,721	14,421	12,964
70,450	70,500	14,176	10,734	14,435	12,976
70,500	70,550	14,189	10,746	14,449	12,989
70,550	70,600	14,201	10,759	14,463	13,001
70,600	70,650	14,214	10,771	14,477	13,014
70,650	70,700	14,226	10,784	14,491	13,026
70,700	70,750	14,239	10,796	14,505	13,039
70,750	70,800	14,251	10,809	14,519	13,051
70,800	70,850	14,264	10,821	14,533	13,064
70,850	70,900	14,276	10,834	14,547	13,076
70,900	70,950	14,289	10,846	14,561	13,089
70,950	71,000	14,301	10,859	14,575	13,101
71,000					
71,000	71,050	14,314	10,871	14,589	13,114
71,050	71,100	14,326	10,884	14,603	13,126
71,100	71,150	14,339	10,896	14,617	13,139
71,150	71,200	14,351	10,909	14,631	13,151
71,200	71,250	14,364	10,921	14,645	13,164
71,250	71,300	14,376	10,934	14,659	13,176
71,300	71,350	14,389	10,946	14,673	13,189
71,350	71,400	14,401	10,959	14,687	13,201
71,400	71,450	14,414	10,971	14,701	13,214
71,450	71,500	14,426	10,984	14,715	13,226
71,500	71,550	14,439	10,996	14,729	13,239
71,550	71,600	14,451	11,009	14,743	13,251
71,600	71,650	14,464	11,021	14,757	13,264
71,650	71,700	14,476	11,034	14,771	13,276
71,700	71,750	14,489	11,046	14,785	13,289
71,750	71,800	14,501	11,059	14,799	13,301
71,800	71,850	14,514	11,071	14,813	13,314
71,850	71,900	14,526	11,084	14,827	13,326
71,900	71,950	14,539	11,096	14,841	13,339
71,950	72,000	14,551	11,109	14,855	13,351
72,000					
72,000	72,050	14,564	11,121	14,869	13,364
72,050	72,100	14,576	11,134	14,883	13,376
72,100	72,150	14,589	11,146	14,897	13,389
72,150	72,200	14,601	11,159	14,911	13,401
72,200	72,250	14,614	11,171	14,925	13,414
72,250	72,300	14,626	11,184	14,939	13,426
72,300	72,350	14,639	11,196	14,953	13,439
72,350	72,400	14,651	11,209	14,967	13,451
72,400	72,450	14,664	11,221	14,981	13,464
72,450	72,500	14,676	11,234	14,995	13,476
72,500	72,550	14,689	11,246	15,009	13,489
72,550	72,600	14,701	11,259	15,023	13,501
72,600	72,650	14,714	11,271	15,037	13,514
72,650	72,700	14,726	11,284	15,051	13,526
72,700	72,750	14,739	11,296	15,065	13,539
72,750	72,800	14,751	11,309	15,079	13,551
72,800	72,850	14,764	11,321	15,093	13,564
72,850	72,900	14,776	11,334	15,107	13,576
72,900	72,950	14,789	11,346	15,121	13,589
72,950	73,000	14,801	11,359	15,135	13,601
73,000					
73,000	73,050	14,814	11,371	15,149	13,614
73,050	73,100	14,826	11,384	15,163	13,626
73,100	73,150	14,839	11,396	15,177	13,639
73,150	73,200	14,851	11,409	15,191	13,651
73,200	73,250	14,864	11,421	15,205	13,664
73,250	73,300	14,876	11,434	15,219	13,676
73,300	73,350	14,889	11,446	15,233	13,689
73,350	73,400	14,901	11,459	15,247	13,701
73,400	73,450	14,914	11,471	15,261	13,714
73,450	73,500	14,926	11,484	15,275	13,726
73,500	73,550	14,939	11,496	15,289	13,739
73,550	73,600	14,951	11,509	15,303	13,751
73,600	73,650	14,964	11,521	15,317	13,764
73,650	73,700	14,976	11,534	15,331	13,776
73,700	73,750	14,989	11,546	15,345	13,789
73,750	73,800	15,001	11,559	15,359	13,801
73,800	73,850	15,014	11,571	15,373	13,814
73,850	73,900	15,026	11,584	15,387	13,826
73,900	73,950	15,039	11,596	15,401	13,839
73,950	74,000	15,051	11,609	15,415	13,851
74,000					
74,000	74,050	15,064	11,621	15,429	13,864
74,050	74,100	15,076	11,634	15,443	13,876
74,100	74,150	15,089	11,646	15,457	13,889
74,150	74,200	15,101	11,659	15,471	13,901
74,200	74,250	15,115	11,671	15,485	13,914
74,250	74,300	15,129	11,684	15,499	13,926
74,300	74,350	15,143	11,696	15,513	13,939
74,350	74,400	15,157	11,709	15,527	13,951
74,400	74,450	15,171	11,721	15,541	13,964
74,450	74,500	15,185	11,734	15,555	13,976
74,500	74,550	15,199	11,746	15,569	13,989
74,550	74,600	15,213	11,759	15,583	14,001
74,600	74,650	15,227	11,771	15,597	14,014
74,650	74,700	15,241	11,784	15,611	14,026
74,700	74,750	15,255	11,796	15,625	14,039
74,750	74,800	15,269	11,809	15,639	14,051
74,800	74,850	15,283	11,821	15,653	14,064
74,850	74,900	15,297	11,834	15,667	14,076
74,900	74,950	15,311	11,846	15,681	14,089
74,950	75,000	15,325	11,859	15,695	14,101
75,000					
75,000	75,050	15,339	11,871	15,709	14,114
75,050	75,100	15,353	11,884	15,723	14,126
75,100	75,150	15,367	11,896	15,737	14,139
75,150	75,200	15,381	11,909	15,751	14,151
75,200	75,250	15,395	11,921	15,765	14,164
75,250	75,300	15,409	11,934	15,779	14,176
75,300	75,350	15,423	11,946	15,793	14,189
75,350	75,400	15,437	11,959	15,807	14,201
75,400	75,450	15,451	11,971	15,821	14,214
75,450	75,500	15,465	11,984	15,835	14,226
75,500	75,550	15,479	11,996	15,849	14,239
75,550	75,600	15,493	12,009	15,863	14,251
75,600	75,650	15,507	12,021	15,877	14,264
75,650	75,700	15,521	12,034	15,891	14,276
75,700	75,750	15,535	12,046	15,905	14,289
75,750	75,800	15,549	12,059	15,919	14,301
75,800	75,850	15,563	12,071	15,933	14,314
75,850	75,900	15,577	12,084	15,947	14,326
75,900	75,950	15,591	12,096	15,961	14,339
75,950	76,000	15,605	12,109	15,975	14,351
76,000					
76,000	76,050	15,619	12,121	15,989	14,364
76,050	76,100	15,633	12,134	16,003	14,376
76,100	76,150	15,647	12,146	16,017	14,389
76,150	76,200	15,661	12,159	16,031	14,401
76,200	76,250	15,675	12,171	16,045	14,414
76,250	76,300	15,689	12,184	16,059	14,426
76,300	76,350	15,703	12,196	16,073	14,439
76,350	76,400	15,717	12,209	16,087	14,451
76,400	76,450	15,731	12,221	16,101	14,464
76,450	76,500	15,745	12,234	16,115	14,476
76,500	76,550	15,759	12,246	16,129	14,489
76,550	76,600	15,773	12,259	16,143	14,501
76,600	76,650	15,787	12,271	16,157	14,514
76,650	76,700	15,801	12,284	16,171	14,526
76,700	76,750	15,815	12,296	16,185	14,539
76,750	76,800	15,829	12,309	16,199	14,551
76,800	76,850	15,843	12,321	16,213	14,564
76,850	76,900	15,857	12,334	16,227	14,576
76,900	76,950	15,871	12,346	16,241	14,589
76,950	77,000	15,885	12,359	16,255	14,601

* This column must also be used by a qualifying widow(er)

(Continued on page 76)

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
77,000					
77,000	77,050	15,899	12,371	16,269	14,614
77,050	77,100	15,913	12,384	16,283	14,626
77,100	77,150	15,927	12,396	16,297	14,639
77,150	77,200	15,941	12,409	16,311	14,651
77,200	77,250	15,955	12,421	16,325	14,664
77,250	77,300	15,969	12,434	16,339	14,676
77,300	77,350	15,983	12,446	16,353	14,689
77,350	77,400	15,997	12,459	16,367	14,701
77,400	77,450	16,011	12,471	16,381	14,714
77,450	77,500	16,025	12,484	16,395	14,726
77,500	77,550	16,039	12,496	16,409	14,739
77,550	77,600	16,053	12,509	16,423	14,751
77,600	77,650	16,067	12,521	16,437	14,764
77,650	77,700	16,081	12,534	16,451	14,776
77,700	77,750	16,095	12,546	16,465	14,789
77,750	77,800	16,108	12,559	16,479	14,801
77,800	77,850	16,123	12,571	16,493	14,814
77,850	77,900	16,137	12,584	16,507	14,826
77,900	77,950	16,151	12,596	16,521	14,839
77,950	78,000	16,165	12,609	16,535	14,851
78,000					
78,000	78,050	16,179	12,621	16,549	14,864
78,050	78,100	16,193	12,634	16,563	14,876
78,100	78,150	16,207	12,646	16,577	14,889
78,150	78,200	16,221	12,659	16,591	14,901
78,200	78,250	16,235	12,671	16,605	14,914
78,250	78,300	16,249	12,684	16,619	14,926
78,300	78,350	16,263	12,696	16,633	14,939
78,350	78,400	16,277	12,709	16,647	14,951
78,400	78,450	16,291	12,721	16,661	14,964
78,450	78,500	16,305	12,734	16,675	14,976
78,500	78,550	16,319	12,746	16,689	14,989
78,550	78,600	16,333	12,759	16,703	15,001
78,600	78,650	16,347	12,771	16,717	15,014
78,650	78,700	16,361	12,784	16,731	15,026
78,700	78,750	16,375	12,796	16,745	15,039
78,750	78,800	16,389	12,809	16,759	15,051
78,800	78,850	16,403	12,821	16,773	15,064
78,850	78,900	16,417	12,834	16,787	15,076
78,900	78,950	16,431	12,846	16,801	15,089
78,950	79,000	16,445	12,859	16,815	15,101
79,000					
79,000	79,050	16,459	12,871	16,829	15,114
79,050	79,100	16,473	12,884	16,843	15,126
79,100	79,150	16,487	12,896	16,857	15,139
79,150	79,200	16,501	12,909	16,871	15,151
79,200	79,250	16,515	12,921	16,885	15,164
79,250	79,300	16,529	12,934	16,899	15,176
79,300	79,350	16,543	12,946	16,913	15,189
79,350	79,400	16,557	12,959	16,927	15,201
79,400	79,450	16,571	12,971	16,941	15,214
79,450	79,500	16,585	12,984	16,955	15,226
79,500	79,550	16,599	12,996	16,969	15,239
79,550	79,600	16,613	13,009	16,983	15,251
79,600	79,650	16,627	13,021	16,997	15,264
79,650	79,700	16,641	13,034	17,011	15,276
79,700	79,750	16,655	13,046	17,025	15,289
79,750	79,800	16,669	13,059	17,039	15,301
79,800	79,850	16,683	13,071	17,053	15,314
79,850	79,900	16,697	13,084	17,067	15,326
79,900	79,950	16,711	13,096	17,081	15,339
79,950	80,000	16,725	13,109	17,095	15,351
80,000					
80,000	80,050	16,739	13,121	17,109	15,364
80,050	80,100	16,753	13,134	17,123	15,376
80,100	80,150	16,767	13,146	17,137	15,389
80,150	80,200	16,781	13,159	17,151	15,401
80,200	80,250	16,795	13,171	17,165	15,414
80,250	80,300	16,809	13,184	17,179	15,426
80,300	80,350	16,823	13,196	17,193	15,439
80,350	80,400	16,837	13,209	17,207	15,451
80,400	80,450	16,851	13,221	17,221	15,464
80,450	80,500	16,865	13,234	17,235	15,476
80,500	80,550	16,879	13,246	17,249	15,489
80,550	80,600	16,893	13,259	17,263	15,501
80,600	80,650	16,907	13,271	17,277	15,514
80,650	80,700	16,921	13,284	17,291	15,526
80,700	80,750	16,935	13,296	17,305	15,539
80,750	80,800	16,949	13,309	17,319	15,551
80,800	80,850	16,963	13,321	17,333	15,564
80,850	80,900	16,977	13,334	17,347	15,576
80,900	80,950	16,991	13,346	17,361	15,589
80,950	81,000	17,005	13,359	17,375	15,601
81,000					
81,000	81,050	17,019	13,371	17,389	15,614
81,050	81,100	17,033	13,384	17,403	15,626
81,100	81,150	17,047	13,396	17,417	15,639
81,150	81,200	17,061	13,409	17,431	15,651
81,200	81,250	17,075	13,421	17,445	15,664
81,250	81,300	17,089	13,434	17,459	15,676
81,300	81,350	17,103	13,446	17,473	15,689
81,350	81,400	17,117	13,459	17,487	15,701
81,400	81,450	17,131	13,471	17,501	15,714
81,450	81,500	17,145	13,484	17,515	15,726
81,500	81,550	17,159	13,496	17,529	15,739
81,550	81,600	17,173	13,509	17,543	15,751
81,600	81,650	17,187	13,521	17,557	15,764
81,650	81,700	17,201	13,534	17,571	15,776
81,700	81,750	17,215	13,546	17,585	15,789
81,750	81,800	17,229	13,559	17,599	15,801
81,800	81,850	17,243	13,571	17,613	15,814
81,850	81,900	17,257	13,584	17,627	15,826
81,900	81,950	17,271	13,596	17,641	15,839
81,950	82,000	17,285	13,609	17,655	15,851
82,000					
82,000	82,050	17,299	13,621	17,669	15,864
82,050	82,100	17,313	13,634	17,683	15,876
82,100	82,150	17,327	13,646	17,697	15,889
82,150	82,200	17,341	13,659	17,711	15,901
82,200	82,250	17,355	13,671	17,725	15,914
82,250	82,300	17,369	13,684	17,739	15,926
82,300	82,350	17,383	13,696	17,753	15,939
82,350	82,400	17,397	13,709	17,767	15,951
82,400	82,450	17,411	13,721	17,781	15,964
82,450	82,500	17,425	13,734	17,795	15,976
82,500	82,550	17,439	13,746	17,809	15,989
82,550	82,600	17,453	13,759	17,823	16,001
82,600	82,650	17,467	13,771	17,837	16,014
82,650	82,700	17,481	13,784	17,851	16,026
82,700	82,750	17,495	13,796	17,865	16,039
82,750	82,800	17,509	13,809	17,879	16,051
82,800	82,850	17,523	13,821	17,893	16,064
82,850	82,900	17,537	13,834	17,907	16,076
82,900	82,950	17,551	13,846	17,921	16,089
82,950	83,000	17,565	13,859	17,935	16,101
83,000					
83,000	83,050	17,579	13,871	17,949	16,114
83,050	83,100	17,593	13,884	17,963	16,126
83,100	83,150	17,607	13,896	17,977	16,139
83,150	83,200	17,621	13,909	17,991	16,151
83,200	83,250	17,635	13,921	18,005	16,164
83,250	83,300	17,649	13,934	18,019	16,176
83,300	83,350	17,663	13,946	18,033	16,189
83,350	83,400	17,677	13,959	18,047	16,201
83,400	83,450	17,691	13,971	18,061	16,214
83,450	83,500	17,705	13,984	18,075	16,226
83,500	83,550	17,719	13,996	18,089	16,239
83,550	83,600	17,733	14,009	18,103	16,251
83,600	83,650	17,747	14,021	18,117	16,264
83,650	83,700	17,761	14,034	18,131	16,276
83,700	83,750	17,775	14,046	18,145	16,289
83,750	83,800	17,789	14,059	18,159	16,301
83,800	83,850	17,803	14,071	18,173	16,314
83,850	83,900	17,817	14,084	18,187	16,326
83,900	83,950	17,831	14,096	18,201	16,339
83,950	84,000	17,845	14,109	18,215	16,351
84,000					
84,000	84,050	17,859	14,121	18,229	16,364
84,050	84,100	17,873	14,134	18,243	16,376
84,100	84,150	17,887	14,146	18,257	16,389
84,150	84,200	17,901	14,159	18,271	16,401
84,200	84,250	17,915	14,171	18,285	16,414
84,250	84,300	17,929	14,184	18,299	16,426
84,300	84,350	17,943	14,196	18,313	16,439
84,350	84,400	17,957	14,209	18,327	16,451
84,400	84,450	17,971	14,221	18,341	16,464
84,450	84,500	17,985	14,234	18,355	16,476
84,500	84,550	17,999	14,246	18,369	16,489
84,550	84,600	18,013	14,259	18,383	16,501
84,600	84,650	18,027	14,271	18,397	16,514
84,650	84,700	18,041	14,284	18,411	16,526
84,700	84,750	18,055	14,296	18,425	16,539
84,750	84,800	18,069	14,309	18,439	16,551
84,800	84,850	18,083	14,321	18,453	16,564
84,850	84,900	18,097	14,334	18,467	16,576
84,900	84,950	18,111	14,346	18,481	16,589
84,950	85,000	18,125	14,359	18,495	16,601
85,000					
85,000	85,050	18,139	14,371	18,509	16,614
85,050	85,100	18,153	14,384	18,523	16,626
85,100	85,150	18,167	14,396	18,537	16,639
85,150	85,200	18,181	14,409	18,551	16,651
85,200	85,250	18,195	14,421	18,565	16,664
85,250	85,300	18,209	14,434	18,579	16,676
85,300	85,350	18,223	14,446	18,593	16,689
85,350	85,400	18,237	14,459	18,607	16,701
85,400	85,450	18,251	14,471	18,621	16,714
85,450	85,500	18,265	14,484	18,635	16,726
85,500	85,550	18,279	14,496	18,649	16,739
85,550	85,600	18,293	14,509	18,663	16,751
85,600	85,650	18,307	14,521	18,677	16,764
85,650	85,700	18,321	14,534	18,691	16,776
85,700	85,750	18,335	14,546	18,705	16,789
85,750	85,800	18,349	14,559	18,719	16,801
85,800	85,850	18,363	14,571	18,733	16,814
85,850	85,900	18,377	14,584	18,747	16,826
85,900	85,950	18,391	14,596	18,761	16,839
85,950	86,000	18,405	14,609	18,775	16,851

* This column must also be used by a qualifying widow(er)

(Continued on page 77)

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
86,000					
86,000	86,050	18,419	14,621	18,789	16,864
86,050	86,100	18,433	14,634	18,803	16,876
86,100	86,150	18,447	14,646	18,817	16,889
86,150	86,200	18,461	14,659	18,831	16,901
86,200	86,250	18,475	14,671	18,845	16,914
86,250	86,300	18,489	14,684	18,859	16,926
86,300	86,350	18,503	14,696	18,873	16,939
86,350	86,400	18,517	14,709	18,887	16,951
86,400	86,450	18,531	14,721	18,901	16,964
86,450	86,500	18,545	14,734	18,915	16,976
86,500	86,550	18,559	14,746	18,929	16,989
86,550	86,600	18,573	14,759	18,943	17,001
86,600	86,650	18,587	14,771	18,957	17,014
86,650	86,700	18,601	14,784	18,971	17,026
86,700	86,750	18,615	14,796	18,985	17,039
86,750	86,800	18,629	14,809	18,999	17,051
86,800	86,850	18,643	14,821	19,013	17,064
86,850	86,900	18,657	14,834	19,027	17,076
86,900	86,950	18,671	14,846	19,041	17,089
86,950	87,000	18,685	14,859	19,055	17,101
87,000					
87,000	87,050	18,699	14,871	19,069	17,114
87,050	87,100	18,713	14,884	19,083	17,126
87,100	87,150	18,727	14,896	19,097	17,139
87,150	87,200	18,741	14,909	19,111	17,151
87,200	87,250	18,755	14,921	19,125	17,164
87,250	87,300	18,769	14,934	19,139	17,176
87,300	87,350	18,783	14,946	19,153	17,189
87,350	87,400	18,797	14,959	19,167	17,201
87,400	87,450	18,811	14,971	19,181	17,214
87,450	87,500	18,825	14,984	19,195	17,226
87,500	87,550	18,839	14,996	19,209	17,239
87,550	87,600	18,853	15,009	19,223	17,251
87,600	87,650	18,867	15,021	19,237	17,264
87,650	87,700	18,881	15,034	19,251	17,276
87,700	87,750	18,895	15,046	19,265	17,289
87,750	87,800	18,909	15,059	19,279	17,301
87,800	87,850	18,923	15,071	19,293	17,314
87,850	87,900	18,937	15,084	19,307	17,326
87,900	87,950	18,951	15,096	19,321	17,339
87,950	88,000	18,965	15,109	19,335	17,351
88,000					
88,000	88,050	18,979	15,121	19,349	17,364
88,050	88,100	18,993	15,134	19,363	17,376
88,100	88,150	19,007	15,146	19,377	17,389
88,150	88,200	19,021	15,159	19,391	17,401
88,200	88,250	19,035	15,171	19,405	17,414
88,250	88,300	19,049	15,184	19,419	17,426
88,300	88,350	19,063	15,196	19,433	17,439
88,350	88,400	19,077	15,209	19,447	17,451
88,400	88,450	19,091	15,221	19,461	17,464
88,450	88,500	19,105	15,234	19,475	17,476
88,500	88,550	19,119	15,246	19,489	17,489
88,550	88,600	19,133	15,259	19,503	17,501
88,600	88,650	19,147	15,271	19,517	17,514
88,650	88,700	19,161	15,284	19,531	17,526
88,700	88,750	19,175	15,296	19,545	17,539
88,750	88,800	19,189	15,309	19,559	17,551
88,800	88,850	19,203	15,321	19,573	17,564
88,850	88,900	19,217	15,334	19,587	17,576
88,900	88,950	19,231	15,346	19,601	17,589
88,950	89,000	19,245	15,359	19,615	17,601
89,000					
89,000	89,050	19,259	15,371	19,629	17,614
89,050	89,100	19,273	15,384	19,643	17,626
89,100	89,150	19,287	15,396	19,657	17,639
89,150	89,200	19,301	15,409	19,671	17,651
89,200	89,250	19,315	15,421	19,685	17,664
89,250	89,300	19,329	15,434	19,699	17,676
89,300	89,350	19,343	15,446	19,713	17,689
89,350	89,400	19,357	15,459	19,727	17,701
89,400	89,450	19,371	15,471	19,741	17,714
89,450	89,500	19,385	15,484	19,755	17,726
89,500	89,550	19,399	15,496	19,769	17,739
89,550	89,600	19,413	15,509	19,783	17,751
89,600	89,650	19,427	15,521	19,797	17,764
89,650	89,700	19,441	15,534	19,811	17,776
89,700	89,750	19,455	15,546	19,825	17,789
89,750	89,800	19,469	15,559	19,839	17,801
89,800	89,850	19,483	15,571	19,853	17,814
89,850	89,900	19,497	15,584	19,867	17,826
89,900	89,950	19,511	15,596	19,881	17,839
89,950	90,000	19,525	15,609	19,895	17,851
90,000					
90,000	90,050	19,539	15,621	19,909	17,864
90,050	90,100	19,553	15,634	19,923	17,876
90,100	90,150	19,567	15,646	19,937	17,889
90,150	90,200	19,581	15,659	19,951	17,901
90,200	90,250	19,595	15,671	19,965	17,914
90,250	90,300	19,609	15,684	19,979	17,926
90,300	90,350	19,623	15,696	19,993	17,939
90,350	90,400	19,637	15,709	20,007	17,951
90,400	90,450	19,651	15,721	20,021	17,964
90,450	90,500	19,665	15,734	20,035	17,976
90,500	90,550	19,679	15,746	20,049	17,989
90,550	90,600	19,693	15,759	20,063	18,001
90,600	90,650	19,707	15,771	20,077	18,014
90,650	90,700	19,721	15,784	20,091	18,026
90,700	90,750	19,735	15,796	20,105	18,039
90,750	90,800	19,749	15,809	20,119	18,051
90,800	90,850	19,763	15,821	20,133	18,064
90,850	90,900	19,777	15,834	20,147	18,076
90,900	90,950	19,791	15,846	20,161	18,089
90,950	91,000	19,805	15,859	20,175	18,101
91,000					
91,000	91,050	19,819	15,871	20,189	18,114
91,050	91,100	19,833	15,884	20,203	18,126
91,100	91,150	19,847	15,896	20,217	18,139
91,150	91,200	19,861	15,909	20,231	18,151
91,200	91,250	19,875	15,921	20,245	18,164
91,250	91,300	19,889	15,934	20,259	18,176
91,300	91,350	19,903	15,946	20,273	18,189
91,350	91,400	19,917	15,959	20,287	18,201
91,400	91,450	19,931	15,971	20,301	18,214
91,450	91,500	19,945	15,984	20,315	18,226
91,500	91,550	19,959	15,996	20,329	18,239
91,550	91,600	19,973	16,009	20,343	18,251
91,600	91,650	19,987	16,021	20,357	18,264
91,650	91,700	20,001	16,034	20,371	18,276
91,700	91,750	20,015	16,046	20,385	18,289
91,750	91,800	20,029	16,059	20,399	18,301
91,800	91,850	20,043	16,071	20,413	18,314
91,850	91,900	20,057	16,084	20,427	18,326
91,900	91,950	20,071	16,096	20,441	18,339
91,950	92,000	20,085	16,109	20,455	18,351
92,000					
92,000	92,050	20,099	16,121	20,469	18,364
92,050	92,100	20,113	16,134	20,483	18,376
92,100	92,150	20,127	16,146	20,497	18,389
92,150	92,200	20,141	16,158	20,511	18,401
92,200	92,250	20,155	16,171	20,525	18,414
92,250	92,300	20,169	16,184	20,539	18,426
92,300	92,350	20,183	16,196	20,553	18,439
92,350	92,400	20,197	16,209	20,567	18,451
92,400	92,450	20,211	16,221	20,581	18,464
92,450	92,500	20,225	16,234	20,595	18,476
92,500	92,550	20,239	16,246	20,609	18,489
92,550	92,600	20,253	16,259	20,623	18,501
92,600	92,650	20,267	16,271	20,637	18,514
92,650	92,700	20,281	16,284	20,651	18,526
92,700	92,750	20,295	16,296	20,665	18,539
92,750	92,800	20,309	16,309	20,679	18,551
92,800	92,850	20,323	16,321	20,693	18,564
92,850	92,900	20,337	16,334	20,707	18,576
92,900	92,950	20,351	16,346	20,721	18,589
92,950	93,000	20,365	16,359	20,735	18,601
93,000					
93,000	93,050	20,379	16,371	20,749	18,614
93,050	93,100	20,393	16,384	20,763	18,626
93,100	93,150	20,407	16,396	20,777	18,639
93,150	93,200	20,421	16,409	20,791	18,651
93,200	93,250	20,435	16,421	20,805	18,664
93,250	93,300	20,449	16,434	20,819	18,676
93,300	93,350	20,463	16,446	20,833	18,689
93,350	93,400	20,477	16,459	20,847	18,701
93,400	93,450	20,491	16,471	20,861	18,714
93,450	93,500	20,505	16,484	20,875	18,726
93,500	93,550	20,519	16,496	20,889	18,739
93,550	93,600	20,533	16,509	20,903	18,751
93,600	93,650	20,547	16,521	20,917	18,764
93,650	93,700	20,561	16,534	20,931	18,776
93,700	93,750	20,575	16,546	20,945	18,789
93,750	93,800	20,589	16,559	20,959	18,801
93,800	93,850	20,603	16,571	20,973	18,814
93,850	93,900	20,617	16,584	20,987	18,826
93,900	93,950	20,631	16,596	21,001	18,839
93,950	94,000	20,645	16,609	21,015	18,851
94,000					
94,000	94,050	20,659	16,621	21,029	18,864
94,050	94,100	20,673	16,634	21,043	18,876
94,100	94,150	20,687	16,646	21,057	18,889
94,150	94,200	20,701	16,659	21,071	18,901
94,200	94,250	20,715	16,671	21,085	18,914
94,250	94,300	20,729	16,684	21,102	18,926
94,300	94,350	20,743	16,696	21,118	18,939
94,350	94,400	20,757	16,709	21,135	18,951
94,400	94,450	20,771	16,721	21,151	18,964
94,450	94,500	20,785	16,734	21,168	18,976
94,500	94,550	20,799	16,746	21,184	18,989
94,550	94,600	20,813	16,759	21,201	19,001
94,600	94,650	20,827	16,771	21,217	19,014
94,650	94,700	20,841	16,784	21,234	19,026
94,700	94,750	20,855	16,796	21,250	19,039
94,750	94,800	20,869	16,809	21,267	19,051
94,800	94,850	20,883	16,821	21,283	19,064
94,850	94,900	20,897	16,834	21,300	19,076
94,900	94,950	20,911	16,846	21,316	19,089
94,950	95,000	20,925	16,859	21,333	19,101

* This column must also be used by a qualifying widow(er)

(Continued on page 78)

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
95,000					
95,000	95,050	20,939	16,871	21,349	19,114
95,050	95,100	20,953	16,884	21,366	19,126
95,100	95,150	20,967	16,896	21,382	19,139
95,150	95,200	20,981	16,909	21,399	19,151
95,200	95,250	20,995	16,921	21,415	19,164
95,250	95,300	21,009	16,934	21,432	19,176
95,300	95,350	21,023	16,946	21,448	19,189
95,350	95,400	21,037	16,958	21,465	19,201
95,400	95,450	21,051	16,971	21,481	19,214
95,450	95,500	21,065	16,984	21,498	19,226
95,500	95,550	21,079	16,996	21,514	19,238
95,550	95,600	21,093	17,009	21,531	19,251
95,600	95,650	21,107	17,021	21,547	19,264
95,650	95,700	21,121	17,034	21,564	19,276
95,700	95,750	21,135	17,046	21,580	19,289
95,750	95,800	21,149	17,059	21,597	19,301
95,800	95,850	21,163	17,071	21,613	19,314
95,850	95,900	21,177	17,084	21,630	19,326
95,900	95,950	21,191	17,096	21,646	19,339
95,950	96,000	21,205	17,109	21,663	19,351
96,000					
96,000	96,050	21,219	17,121	21,679	19,364
96,050	96,100	21,233	17,134	21,696	19,376
96,100	96,150	21,247	17,146	21,712	19,389
96,150	96,200	21,261	17,159	21,729	19,401
96,200	96,250	21,275	17,171	21,745	19,414
96,250	96,300	21,289	17,184	21,762	19,426
96,300	96,350	21,303	17,196	21,778	19,439
96,350	96,400	21,317	17,209	21,795	19,451
96,400	96,450	21,331	17,221	21,811	19,464
96,450	96,500	21,345	17,234	21,828	19,476
96,500	96,550	21,359	17,246	21,844	19,489
96,550	96,600	21,373	17,259	21,861	19,501
96,600	96,650	21,387	17,271	21,877	19,514
96,650	96,700	21,401	17,284	21,894	19,526
96,700	96,750	21,415	17,296	21,910	19,539
96,750	96,800	21,429	17,309	21,927	19,551
96,800	96,850	21,443	17,321	21,943	19,564
96,850	96,900	21,457	17,334	21,960	19,576
96,900	96,950	21,471	17,346	21,976	19,589
96,950	97,000	21,485	17,359	21,993	19,601
97,000					
97,000	97,050	21,499	17,371	22,009	19,614
97,050	97,100	21,513	17,384	22,026	19,626
97,100	97,150	21,527	17,396	22,042	19,639
97,150	97,200	21,541	17,409	22,059	19,651
97,200	97,250	21,555	17,421	22,075	19,664
97,250	97,300	21,569	17,434	22,092	19,676
97,300	97,350	21,583	17,446	22,108	19,689
97,350	97,400	21,597	17,459	22,125	19,701
97,400	97,450	21,611	17,471	22,141	19,714
97,450	97,500	21,625	17,484	22,158	19,726
97,500	97,550	21,639	17,496	22,174	19,739
97,550	97,600	21,653	17,509	22,191	19,751
97,600	97,650	21,667	17,521	22,207	19,764
97,650	97,700	21,681	17,534	22,224	19,776
97,700	97,750	21,695	17,546	22,240	19,789
97,750	97,800	21,709	17,559	22,257	19,801
97,800	97,850	21,723	17,571	22,273	19,814
97,850	97,900	21,737	17,584	22,290	19,826
97,900	97,950	21,751	17,596	22,306	19,839
97,950	98,000	21,765	17,609	22,323	19,851
98,000					
98,000	98,050	21,779	17,621	22,339	19,864
98,050	98,100	21,793	17,634	22,356	19,876
98,100	98,150	21,807	17,646	22,372	19,889
98,150	98,200	21,821	17,659	22,389	19,901
98,200	98,250	21,835	17,671	22,405	19,914
98,250	98,300	21,849	17,684	22,422	19,926
98,300	98,350	21,863	17,696	22,438	19,939
98,350	98,400	21,877	17,709	22,455	19,951
98,400	98,450	21,891	17,721	22,471	19,964
98,450	98,500	21,905	17,734	22,488	19,976
98,500	98,550	21,919	17,746	22,504	19,989
98,550	98,600	21,933	17,759	22,521	20,001
98,600	98,650	21,947	17,771	22,537	20,014
98,650	98,700	21,961	17,784	22,554	20,026
98,700	98,750	21,975	17,796	22,570	20,039
98,750	98,800	21,989	17,809	22,587	20,051
98,800	98,850	22,003	17,821	22,603	20,064
98,850	98,900	22,017	17,834	22,620	20,076
98,900	98,950	22,031	17,846	22,636	20,089
98,950	99,000	22,045	17,859	22,653	20,101
99,000					
99,000	99,050	22,059	17,871	22,668	20,114
99,050	99,100	22,073	17,884	22,686	20,126
99,100	99,150	22,087	17,896	22,702	20,139
99,150	99,200	22,101	17,909	22,718	20,151
99,200	99,250	22,115	17,921	22,735	20,164
99,250	99,300	22,129	17,934	22,752	20,176
99,300	99,350	22,143	17,946	22,768	20,188
99,350	99,400	22,157	17,959	22,785	20,201
99,400	99,450	22,171	17,971	22,801	20,214
99,450	99,500	22,185	17,984	22,818	20,226
99,500	99,550	22,199	17,996	22,834	20,239
99,550	99,600	22,213	18,009	22,851	20,251
99,600	99,650	22,227	18,021	22,867	20,264
99,650	99,700	22,241	18,034	22,884	20,276
99,700	99,750	22,255	18,046	22,900	20,289
99,750	99,800	22,269	18,059	22,917	20,301
99,800	99,850	22,283	18,071	22,933	20,314
99,850	99,900	22,297	18,084	22,950	20,326
99,900	99,950	22,311	18,096	22,966	20,339
99,950	100,000	22,325	18,109	22,983	20,351

$100,000 or over — use the Tax Computation Worksheet on page 79

* This column must also be used by a qualifying widow(er)

2006 Tax Computation Worksheet—Line 44

CAUTION *See the instructions for line 44 that begin on page 36 to see if you must use the worksheet below to figure your tax*

Note. If you are required to use this worksheet to figure the tax on an amount from another form or worksheet, such as the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, Schedule J, Form 8615, or the Foreign Earned Income Tax Worksheet, enter the amount from that form or worksheet in column (a) of the row that applies to the amount you are looking up. Enter the result on the appropriate line of the form or worksheet that you are completing.

Section A—Use if your filing status is **Single.** Complete the row below that applies to you.

Taxable income. If line 43 is	(a) Enter the amount from line 43	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least $100,000 but not over $154,800	$	× 28% (.28)	$	$ 5,668.50	$
Over $154,800 but not over $336,550	$	× 33% (.33)	$	$ 13,408.50	$
Over $336,550	$	× 35% (.35)	$	$ 20,139.50	$

Section B—Use if your filing status is **Married filing jointly** or **Qualifying widow(er).** Complete the row below that applies to you.

Taxable income. If line 43 is	(a) Enter the amount from line 43	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least $100,000 but not over $123,700	$	× 25% (.25)	$	$ 6,885.00	$
Over $123,700 but not over $188,450	$	× 28% (.28)	$	$ 10,596.00	$
Over $188,450 but not over $336,550	$	× 33% (.33)	$	$ 20,018.50	$
Over $336,550	$	× 35% (.35)	$	$ 26,749.50	$

Section C—Use if your filing status is **Married filing separately.** Complete the row below that applies to you.

Taxable income. If line 43 is	(a) Enter the amount from line 43	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least $100,000 but not over $168,275	$	× 33% (.33)	$	$ 10,009.25	$
Over $168,275	$	× 35% (.35)	$	$ 13,374.75	$

Section D—Use if your filing status is **Head of household.** Complete the row below that applies to you.

Taxable income. If line 43 is	(a) Enter the amount from line 43	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least $100,000 but not over $106,000	$	× 25% (.25)	$	$ 4,642.50	$
Over $106,000 but not over $171,650	$	× 28% (.28)	$	$ 7,822.50	$
Over $171,650 but not over $336,550	$	× 33% (.33)	$	$ 16,405.00	$
Over $336,550	$	× 35% (.35)	$	$ 23,136.00	$

Disclosure, Privacy Act, and Paperwork Reduction Act Notice

The IRS Restructuring and Reform Act of 1998, the Privacy Act of 1974 and the Paperwork Reduction Act of 1980 require that when we ask you for information we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

This notice applies to all papers you file with us, including this tax return. It also applies to any questions we need to ask you so we can complete, correct, or process your return, figure your tax, and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a), and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 requires that you provide your social security number or individual taxpayer identification number on what you file. This is so we know who you are, and can process your return and other papers. You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund or for the third-party designee. You also do not have to provide your daytime phone number.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, you may be charged penalties and be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Generally, tax returns and return information are confidential, as stated in Code section 6103. However, Code section 6103 allows or requires the Internal Revenue Service to disclose or give the information shown on your tax return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, U.S. commonwealths or possessions, and certain foreign governments to carry out their tax laws. We may disclose your tax information to the Department of Treasury and contractors for tax administration purposes; and to other persons as necessary to obtain information which we cannot get in any other way in order to determine the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit the Comptroller General to review the Internal Revenue Service. We may disclose your tax information to committees of Congress; federal, state, and local child support agencies; and to other federal agencies for the purposes of determining entitlement for benefits or the eligibility for and the repayment of loans. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

We Welcome Comments on Forms

We try to create forms and instructions that can be easily understood. Often this is difficult to do because our tax laws are very complex. For some people with income mostly from wages, filling in the forms is easy. For others who have businesses, pensions, stocks, rental income, or other investments, it is more difficult.

If you have suggestions for making these forms simpler, we would be happy to hear from you. You can email us at **taxforms@irs.gov* (The asterisk must be included in the address.) Enter "Forms Comment" on the subject line. Or you can write to Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send your return to this address. Instead, see the back cover.

Estimates of Taxpayer Burden

The table below shows burden estimates by form type and type of taxpayer. Time burden is further broken out by taxpayer activity. The largest component of time burden for all taxpayers is recordkeeping, as opposed to form completion and submission. In addition, the time burden associated with form completion and submission activities is closely tied to preparation method itself prepared without software, self-prepared with software, and prepared by paid preparer.

Time spent and out-of-pocket costs are estimated separately. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples of out-of-pocket costs include tax return preparation and submission fees, postage, tax preparation software costs, photocopying costs, and phone calls (if not toll-free).

Both time and cost burdens are national averages and do not necessarily reflect a "typical" case. For instance, the average time burden for all taxpayers filing a 1040, 1040A, or 1040EZ was 24.2 hours, with an average cost of $207 per return. This average includes all associated forms and schedules, across all preparation methods and all taxpayer activities. Taxpayers filing Form 1040 had an average burden of about 30 hours, and taxpayers filing Form 1040A and Form 1040EZ averaged about 11 hours. However, within each of these estimates, there is significant variation in taxpayer activity. Similarly, tax preparation fees vary extensively depending on the taxpayer's tax situation and issues, the type of professional preparer, and the geographic area.

The data shown are the best estimates available as of September 20, 2006, from tax returns filed for 2005. The method used to estimate taxpayer burden incorporates results from a taxpayer burden survey conducted in 2000 and 2001. The estimates are subject to change as new forms and data become available. The estimates do not include burden associated with post-filing activities. However, operational IRS data indicate that electronically prepared and e-filed returns have fewer errors, implying a lower overall post-filing burden.

If you have comments concerning the time and cost estimates below, you can contact us at either one of the addresses shown under *We Welcome Comments on Forms* on page 80.

Estimated Average Taxpayer Burden for Individuals by Activity

The average time and costs required to complete and file Form 1040, Form 1040A, Form 1040EZ, their schedules, and accompanying forms will vary depending on individual circumstances. The estimated averages are:

Major Form Filed or Type of Taxpayer	Percentage of Returns	Average Time Burden (Hours)						Average Cost (Dollars)
		Total Time	Record Keeping	Tax Planning	Form Completion	Form Submission	All Other	
All taxpayers	100	24.2	14.6	3.4	3.3	0.5	2.5	$207
Major forms filed								
1040	68	30.3	19.0	4.0	3.7	0.5	3.1	269
1040A & 1040EZ	32	11.1	5.0	1.9	2.4	0.5	1.3	72
Type of taxpayer								
Nonbusiness*	72	13.2	5.8	2.6	2.9	0.5	1.5	103
Business*	28	52.2	37.0	5.4	4.3	0.5	5.1	470

* You are a "business" filer if you file one or more of the following with Form 1040: Schedule C, C-EZ, E, or F or Form 2106 or 2106-EZ. You are a "nonbusiness" filer if you did not file any of those schedules or forms with Form 1040.

Order Blank for Forms and Publications

The most frequently ordered forms and publications are listed on the order blank below. You will receive two copies of each form, one copy of the instructions, and one copy of each publication you order. To help reduce waste, please order only the items you need to prepare your return.

TIP *For faster ways of getting the items you need, see page 7 or go to* www.irs.gov *and click on* More Forms and Publications.

How To Use the Order Blank

Circle the items you need on the order blank below. Use the blank spaces to order items not listed. If you need more space, attach a separate sheet of paper.

Print or type your name and address accurately in the space provided to ensure delivery of your order. Cut the order blank on the dotted line. Enclose the order blank in an envelope and mail it to the IRS address shown on this page. You should receive your order within 10 days after receipt of your request.

Do not send your tax return to the address listed below. Instead, see the back cover.

Mail Your Order Blank To:
Internal Revenue Service
National Distribution Center
P.O. Box 8903
Bloomington, IL 61702-8903

▲ *Cut here* ▲

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Postal mailing address — Apt./Suite/Room

City — State — ZIP code

Foreign country — International postal code

Daytime phone number
()

Circle the forms and publications you need. The instructions for any form you order will be included.

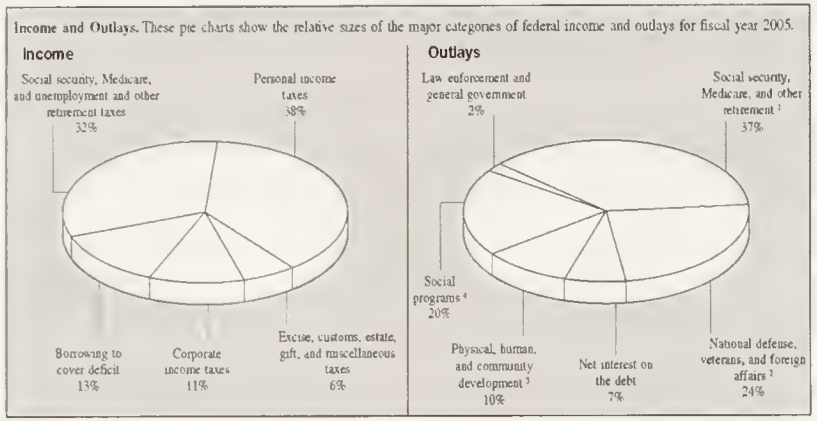
The items in bold are also available at many IRS offices, U.S. Post Offices, and various libraries.

Use the blank spaces to order items not listed.

1040	Schedule H (1040)	1040-ES (2007)	4684	8863	Pub. 505	Pub. 554	
Schedules A&B (1040)	Schedule J (1040)	1040-V	4868	8913	Pub. 523	Pub. 575	
Schedule C (1040)	Schedule R (1040)	1040X	5695	9465	Pub. 525	Pub. 587	
Schedule C-EZ (1040)	Schedule SE (1040)	2106	6251	Pub. 1	Pub. 526	Pub. 590	
Schedule D (1040)	**1040A**	2106-EZ	8283	Pub. 17	Pub. 527	Pub. 596	
Schedule D-1 (1040)	Schedule 1 (1040A)	2441	8606	Pub. 334	Pub. 529	Pub. 910	
Schedule E (1040)	Schedule 2 (1040A)	4506	8812	Pub. 463	Pub. 535	Pub. 915	
Schedule EIC (1040A or 1040)	Schedule 3 (1040A)	4506-T	8822	Pub. 501	Pub. 547	Pub. 970	
Schedule F (1040)	**1040EZ**	4562	8829	Pub. 502	Pub. 550	Pub. 972	

N

Major Categories of Federal Income and Outlays for Fiscal Year 2005



On or before the first Monday in February of each year, the President is required by law to submit to the Congress a budget proposal for the fiscal year that begins the following October. The budget plan sets forth the President's proposed receipts, spending, and the surplus or deficit for the Federal Government. The plan includes recommendations for new legislation as well as recommendations to change, eliminate, and add programs. After receiving the President's proposal, the Congress reviews it and makes changes. It first passes a budget resolution setting its own targets for receipts, outlays, and the surplus or deficit. Next, individual spending and revenue bills that are consistent with the goals of the budget resolution are enacted.

In fiscal year 2005 (which began on October 1, 2004, and ended on September 30, 2005), federal income was $2.2 trillion and outlays were $2.5 trillion, leaving a deficit of $0.3 trillion.

Footnotes for Certain Federal Outlays

1 **Social security, Medicare, and other retirement:** These programs provide income support for the retired and disabled and medical care for the elderly.

2 **National defense, veterans, and foreign affairs:** About 20% of outlays were to equip, modernize, and pay our armed forces and to fund the Global War on Terrorism and other national defense activities; about 3% were for veterans benefits and services; and about 1% were for international activities, including military and economic assistance to foreign countries and the maintenance of U.S. embassies abroad.

3 **Physical, human, and community development:** These outlays were for agriculture; natural resources; environment; transportation; aid for elementary and secondary education and direct assistance to college students; job training; deposit insurance, commerce and housing credit, and community development; and space, energy, and general science programs.

4 **Social programs:** About 14% of total outlays were for Medicaid, food stamps, temporary assistance for needy families, supplemental security income, and related programs; and the remaining outlays were for health research and public health programs, unemployment compensation, assisted housing, and social services.

Note. The percentages on this page exclude undistributed offsetting receipts, which were $65 billion in fiscal year 2005. In the budget, these receipts are offset against spending in figuring the outlay totals shown above. These receipts are for the U.S. Government's share of its employee retirement programs, rents and royalties on the Outer Continental Shelf, and proceeds from the sale of assets.

2006 Tax Rate Schedules

CAUTION *The Tax Rate Schedules are shown so you can see the tax rate that applies to all levels of taxable income. Do not use them to figure your tax. Instead, see the instructions for line 44 that begin on page 36.*

Schedule X—If your filing status is **Single**

If your taxable income is		The tax is	
Over—	*But not over—*		*of the amount over—*
$0	$7,550	10%	$0
7,550	30,650	$755.00 + 15%	7,550
30,650	74,200	4,220.00 + 25%	30,650
74,200	154,800	15,107.50 + 28%	74,200
154,800	336,550	37,675.50 + 33%	154,800
336,550		97,653.00 + 35%	336,550

Schedule Y-1—If your filing status is **Married filing jointly** or **Qualifying widow(er)**

If your taxable income is		The tax is	
Over—	*But not over—*		*of the amount over—*
$0	$15,100	10%	$0
15,100	61,300	$1,510.00 + 15%	15,100
61,300	123,700	8,440.00 + 25%	61,300
123,700	188,450	24,040.00 + 28%	123,700
188,450	336,550	42,170.00 + 33%	188,450
336,550		91,043.00 + 35%	336,550

Schedule Y-2—If your filing status is **Married filing separately**

If your taxable income is.		The tax is	
Over—	*But not over—*		*of the amount over—*
$0	$7,550	10%	$0
7,550	30,850	$755.00 + 15%	7,550
30,650	61,850	4,220.00 + 25%	30,650
61,850	94,225	12,020.00 + 28%	61,850
94,225	168,275	21,085.00 + 33%	94,225
168,275		45,521.50 + 35%	168,275

Schedule Z—If your filing status is **Head of household**

If your taxable income is		The tax is	
Over—	*But not over—*		*of the amount over—*
$0	$10,750	10%	$0
10,750	41,050	$1,075.00 + 15%	10,750
41,050	106,000	5,620.00 + 25%	41,050
106,000	171,650	21,857.50 + 28%	106,000
171,650	336,550	40,239.50 + 33%	171,650
336,550		94,656.50 + 35%	336,550

Department of the Treasury
Internal Revenue Service

2006 Instructions for Schedules A & B (Form 1040)

Instructions for Schedule A, Itemized Deductions

Use Schedule A (Form 1040) to figure your itemized deductions. In most cases, your federal income tax will be less if you take the larger of your itemized deductions or your standard deduction.

If you itemize, you can deduct a part of your medical and dental expenses and unreimbursed employee business expenses, and amounts you paid for certain taxes, interest, contributions, and miscellaneous expenses. You can also deduct certain casualty and theft losses.

If you and your spouse paid expenses jointly and are filing separate returns for 2006, see Pub. 504 to figure the portion of joint expenses that you can claim as itemized deductions.

Do not include on Schedule A items deducted elsewhere, such as on Form 1040 or Schedule C, C-EZ, E, or F.

Section references are to the Internal Revenue Code unless otherwise noted.

What's New for 2006

Medicare Part D. You can deduct the premiums you pay for the new Medicare Part D prescription drug insurance program.

Standard mileage rates. The 2006 rate for use of your vehicle to get medical care is 18 cents a mile. The 2006 rate for charitable use of your vehicle to provide relief related to Hurricane Katrina is 32 cents a mile.

State and local general sales taxes. You can no longer deduct state and local general sales taxes instead of state and local income taxes.

At the time these instructions went to print, Congress was considering legislation that would extend the deduction for state and local general sales taxes that expired at the end of 2005. To find out if this legislation was enacted, and for more details, go to www.irs.gov, *click on* More Forms and Publications, *and then on* What's Hot in forms and publications, *or see Pub. 553.*

Phaseout of itemized deductions reduced. Taxpayers with adjusted gross income above a certain amount may lose part of their deduction for itemized deductions. The amount by which this deduction is reduced in 2006 is only ⅓ of the amount of the reduction that would otherwise have applied.

Gifts to charity. The Pension Protection Act of 2006 provides new rules for deducting certain gifts to charity. The following list highlights some of the new rules.

- Tax-free distributions from your IRA to certain charitable organizations if you were at least age 70½ when the distribution was made. You cannot, however, take a charitable deduction on Schedule A for the same contribution.
- Stricter rules for contributions after August 17, 2006, of clothing and household items. See the instructions for line 16 on page A-5.
- Extension of the special rules for contributions of food inventory.
- Higher limits on deductions for contributions of capital gain real property for conservation purposes.
- New restrictions on deductions for contributions after July 25, 2006, of certain easements for buildings located in registered historic districts.
- New rules limiting deductions for contributions after July 25, 2006, of taxidermy property.
- Recapture of deductions for contributions after September 1, 2006, of appreciated tangible personal property if exempt use not certified by the recipient organization.
- New rules for gifts of fractional interests in tangible personal property made after August 17, 2006.

For more information, see Pub. 526.

What's New for 2007

New recordkeeping requirements for contributions of money. For charitable contributions of money, regardless of the amount, you must maintain as a record of the contribution a bank record (such as a cancelled check) or a written record from the charity. The written record must include the name of the charity, date, and amount of the contribution.

Medical and Dental Expenses

You can deduct only the part of your medical and dental expenses that exceeds 7.5% of the amount on Form 1040, line 38.

Pub. 502 discusses the types of expenses that you can and cannot deduct. It also explains when you can deduct capital expenses and special care expenses for disabled persons.

If you received a distribution from a health savings account or a medical savings account in 2006, see Pub. 969 to figure your deduction.

Examples of Medical and Dental Payments You Can Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Insurance premiums for medical and dental care, including premiums for qualified long-term care contracts as defined in Pub. 502. But see *Limit on long-term care premiums you can deduct* on page A-2. Reduce the insurance premiums by any self-employed health insurance deduction you claimed on Form 1040, line 29.

Note. If, during 2006, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA recipient, or Pension Benefit Guaranty Corporation pension recipient, you must reduce your insurance premiums by any amounts used to figure the health coverage tax credit. See the instructions for line 1 on page A-2.

Cat. No. 24328L

You cannot deduct insurance premiums paid with pretax dollars because the premiums are not included in box 1 of your Form(s) W-2.

- Prescription medicines or insulin.
- Acupuncturists, chiropractors, dentists, eye doctors, medical doctors, occupational therapists, osteopathic doctors, physical therapists, podiatrists, psychiatrists, psychoanalysts (medical care only), and psychologists.
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Nursing help (including your share of the employment taxes paid). If you paid someone to do both nursing and housework, you can deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Qualified long-term care services (see Pub. 502).
- The supplemental part of Medicare insurance (Medicare B).
- The premiums you pay for Medicare Part D insurance.
- A program to stop smoking and for prescription medicines to alleviate nicotine withdrawal.
- A weight-loss program as treatment for a specific disease (including obesity) diagnosed by a doctor.
- Medical treatment at a center for drug or alcohol addiction.
- Medical aids such as eyeglasses, contact lenses, hearing aids, braces, crutches, wheelchairs, and guide dogs, including the cost of maintaining them.
- Surgery to improve defective vision, such as laser eye surgery or radial keratotomy.
- Lodging expenses (but not meals) while away from home to receive medical care in a hospital or a medical care facility related to a hospital, provided there was no significant element of personal pleasure, recreation, or vacation in the travel. Do not deduct more than $50 a night for each eligible person.
- Ambulance service and other travel costs to get medical care. If you used your own car, you can claim what you spent for gas and oil to go to and from the place you received the care; or you can claim 18 cents a mile. Add parking and tolls to the amount you claim under either method.

Note. Certain medical expenses paid out of a deceased taxpayer's estate can be claimed on the deceased taxpayer's final return. See Pub. 502 for details.

Limit on long-term care premiums you can deduct. The amount you can deduct for qualified long-term care contracts (as defined in Pub. 502) depends on the age, at the end of 2006, of the person for whom the premiums were paid. See the chart below for details.

IF the person was, at the end of 2006, age . . .	THEN the most you can deduct is . . .
40 or under	$ 280
41 - 50	$ 530
51 - 60	$ 1,060
61 - 70	$ 2,830
71 or older	$ 3,530

Examples of Medical and Dental Payments You Cannot Deduct

- The cost of diet food.
- Cosmetic surgery unless it was necessary to improve a deformity related to a congenital abnormality, an injury from an accident or trauma, or a disfiguring disease.
- Life insurance or income protection policies.
- The Medicare tax on your wages and tips or the Medicare tax paid as part of the self-employment tax or household employment taxes.

TIP *If you were age 65 or older but not entitled to social security benefits, you can deduct premiums you voluntarily paid for Medicare A coverage.*

- Nursing care for a healthy baby. But you may be able to take a credit for the amount you paid. See the instructions for Form 1040, line 48.
- Illegal operations or drugs.
- Imported drugs not approved by the U.S. Food and Drug Administration (FDA). This includes foreign-made versions of U.S.-approved drugs manufactured without FDA approval.
- Nonprescription medicines (including nicotine gum and certain nicotine patches).
- Travel your doctor told you to take for rest or a change.
- Funeral, burial, or cremation costs.

Line 1

Medical and Dental Expenses

Enter the total of your medical and dental expenses (see page A-1), after you reduce these expenses by any payments received from insurance or other sources. See *Reimbursements* on this page.

TIP *Do not forget to include insurance premiums you paid for medical and dental care. But if you claimed the self-employed health insurance deduction on Form 1040, line 29, reduce the premiums by the amount on line 29.*

Note. If, during 2006, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA recipient, or Pension Benefit Guaranty Corporation pension recipient, you must complete Form 8885 before completing Schedule A, line 1. When figuring the amount of insurance premiums you can deduct on Schedule A, do not include:

- Any amounts you included on Form 8885, line 4,
- Any qualified health insurance premiums you paid to "U.S Treasury —HCTC," or
- Any health coverage tax credit advance payments shown in box 1 of Form 1099-H.

Whose medical and dental expenses can you include? You can include medical and dental bills you paid for:

- Yourself and your spouse.
- All dependents you claim on your return.
- Your child whom you do not claim as a dependent because of the rules for children of divorced or separated parents.
- Any person you could have claimed as a dependent on your return except that person received $3,300 or more of gross income or filed a joint return.
- Any person you could have claimed as a dependent except that you, or your spouse if filing jointly, can be claimed as a dependent on someone else's 2006 return.

Example. You provided over half of your mother's support but cannot claim her as a dependent because she received wages of $3,300 in 2006. You can include on line 1 any medical and dental expenses you paid in 2006 for your mother.

Reimbursements. If your insurance company paid the provider directly for part of your expenses, and you paid only the amount that remained, include on line 1 only the amount you paid. If you received a reimbursement in 2006 for medical or dental expenses you paid in 2006, reduce your 2006 expenses by this amount. If you received a reimbursement in 2006 for prior year medical or dental expenses, do not reduce your 2006 expenses by this amount. But if you deducted the expenses in the earlier year and the deduction reduced your tax, you must include the reimbursement in income on Form 1040, line 21. See Pub. 502 for details on how to figure the amount to include.

Cafeteria plans. Do not include on line 1 insurance premiums paid by an employer-sponsored health insurance plan (cafeteria plan) unless the premiums are included in box 1 of your Form(s) W-2. Also, do not include any other medical and dental expenses paid by the plan unless the amount paid is included in box 1 of your Form(s) W-2.

Taxes You Paid

Taxes You Cannot Deduct

- Federal income and excise taxes.
- Social security, Medicare, federal unemployment (FUTA), and railroad retirement (RRTA) taxes
- Customs duties
- Federal estate and gift taxes. But see the instructions for line 27 on page A-7
- Certain state and local taxes, including: general sales tax (see *Caution* below), tax on gasoline, car inspection fees, assessments for sidewalks or other improvements to your property, tax you paid for someone else, and license fees (marriage, driver's, dog, etc.).

At the time these instructions went to print, Congress was considering legislation that would extend the deduction for state and local general sales taxes that expired at the end of 2005. To find out if this legislation was enacted, and for more details, go to www.irs.gov, *click on* More Forms and Publications, *and then on* What's Hot in forms and publications, *or see Pub. 553.*

Line 5

State and Local Income Taxes

Include on this line the state and local income taxes listed below.

- State and local income taxes withheld from your salary during 2006. Your Form(s) W-2 will show these amounts. Forms W-2G, 1099-G, 1099-R, and 1099-MISC may also show state and local income taxes withheld.
- State and local income taxes paid in 2006 for a prior year, such as taxes paid with your 2005 state or local income tax return. Do not include penalties or interest.
- State and local estimated tax payments made during 2006, including any part of a prior year refund that you chose to have credited to your 2006 state or local income taxes.
- Mandatory contributions you made to the California, New Jersey, or New York Nonoccupational Disability Benefit Fund, Rhode Island Temporary Disability Benefit Fund, or Washington State Supplemental Workmen's Compensation Fund.

Do not reduce your deduction by any:

- State or local income tax refund or credit you expect to receive for 2006, or
- Refund of, or credit for, prior year state and local income taxes you actually received in 2006. Instead, see the instructions for Form 1040, line 10.

Line 6

Real Estate Taxes

Include taxes (state, local, or foreign) you paid on real estate you own that was not used for business, but only if the taxes are based on the assessed value of the property. Also, the assessment must be made uniformly on property throughout the community, and the proceeds must be used for general community or governmental purposes. Pub. 530 explains the deductions homeowners can take.

Do not include the following amounts on line 6.

- Itemized charges for services to specific property or persons (for example, a $20 monthly charge per house for trash collection, a $5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under a local ordinance).
- Charges for improvements that tend to increase the value of your property (for example, an assessment to build a new sidewalk). The cost of a property improvement is added to the basis of the property. However, a charge is deductible if it is used only to maintain an existing public facility in service (for example, a charge to repair an existing sidewalk, and any interest included in that charge).

If your mortgage payments include your real estate taxes, you can deduct only the amount the mortgage company actually paid to the taxing authority in 2006.

If you sold your home in 2006, any real estate tax charged to the buyer should be shown on your settlement statement and in box 5 of any Form 1099-S you received. This amount is considered a refund of real estate taxes. See *Refunds and rebates* below. Any real estate taxes you paid at closing should be shown on your settlement statement.

Refunds and rebates. If you received a refund or rebate in 2006 of real estate taxes you paid in 2006, reduce your deduction by the amount of the refund or rebate. If you received a refund or rebate in 2006 of real estate taxes you paid in an earlier year, do not reduce your deduction by this amount. Instead, you must include the refund or rebate in income on Form 1040, line 21, if you deducted the real estate taxes in the earlier year and the deduction reduced your tax. See *Recoveries* in Pub. 525 for details on how to figure the amount to include in income.

Line 7

Personal Property Taxes

Enter the state and local personal property taxes you paid, but only if the taxes were based on value alone and were imposed on a yearly basis.

Example. You paid a yearly fee for the registration of your car. Part of the fee was based on the car's value and part was based on its weight. You can deduct only the part of the fee that was based on the car's value.

Line 8

Other Taxes

If you had any deductible tax not listed on line 5, 6, or 7, list the type and amount of tax. Enter only one total on line 8. Include on this line income tax you paid to a foreign country or U.S. possession.

TIP *You may want to take a credit for the foreign tax instead of a deduction. See the instructions for Form 1040, line 47, for details.*

Interest You Paid

Whether your interest expense is treated as investment interest, personal interest, or business interest depends on how and when you used the loan proceeds. See Pub. 535 for details.

In general, if you paid interest in 2006 that applies to any period after 2006, you can deduct only amounts that apply for 2006.

Lines 10 and 11

Home Mortgage Interest

A home mortgage is any loan that is secured by your main home or second home. It includes first and second mortgages, home equity loans, and refinanced mortgages.

A home can be a house, condominium, cooperative, mobile home, boat, or similar property. It must provide basic living accommodations including sleeping space, toilet, and cooking facilities.

Limit on home mortgage interest. If you took out any mortgages after October 13, 1987, your deduction may be limited. Any additional amounts borrowed after October 13, 1987, on a line-of-credit mortgage you had on that date are treated as a mortgage taken out after October 13, 1987. If you refinanced a mortgage you had on October 13, 1987, treat the new mortgage as taken out on or before October 13, 1987. But if you refinanced for more than the balance of the old mortgage, treat the excess as a mortgage taken out after October 13, 1987.

See Pub. 936 to figure your deduction if either (1) or (2) below applies. If you had more than one home at the same time, the dollar amounts in (1) and (2) apply to the total mortgages on both homes.

1. You took out any mortgages after October 13, 1987, and used the proceeds for purposes other than to buy, build, or improve your home, and all of these mortgages totaled over $100,000 at any time during 2006. The limit is $50,000 if married filing separately. An example of this type of mortgage is a home equity loan used to pay off credit card bills, buy a car, or pay tuition.

2. You took out any mortgages after October 13, 1987, and used the proceeds to buy, build, or improve your home, and these mortgages plus any mortgages you took out on or before October 13, 1987, totaled over $1 million at any time during 2006. The limit is $500,000 if married filing separately.

If the total amount of all mortgages is more than the fair market value of the home, additional limits apply. See Pub. 936.

Line 10

Enter on line 10 mortgage interest and points reported to you on Form 1098 under your social security number (SSN). If this form shows any refund of overpaid interest, do not reduce your deduction by the refund. Instead, see the instructions for Form 1040, line 21. If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage, and the interest was reported on Form 1098 under the other person's SSN, report your share of the interest on line 11 (as explained in the line 11 instructions below).

If you paid more interest to the recipient than is shown on Form 1098, see Pub. 936 to find out if you can deduct the additional interest. If you can, attach a statement explaining the difference and enter "See attached" to the right of line 10.

If you are claiming the mortgage interest credit (for holders of qualified mortgage credit certificates issued by state or local governmental units or agencies), subtract the amount shown on Form 8396, line 3, from the total deductible interest you paid on your home mortgage. Enter the result on line 10.

Line 11

If you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 11.

If you bought your home from the recipient, be sure to show that recipient's name, identifying no., and address on the dotted lines next to line 11. If the recipient is an individual, the identifying no. is his or her social security number (SSN). Otherwise, it is the employer identification number. You must also let the recipient know your SSN. If you do not show the required information about the recipient or let the recipient know your SSN, you may have to pay a $50 penalty.

If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name and address of that person. To the right of line 11, enter "See attached."

Line 12

Points Not Reported on Form 1098

Points are shown on your settlement statement. Points you paid only to borrow money are generally deductible over the life of the loan. See Pub. 936 to figure the amount you can deduct. Points paid for other purposes, such as for a lender's services, are not deductible.

Refinancing. Generally, you must deduct points you paid to refinance a mortgage over the life of the loan. This is true even if the new mortgage is secured by your main home.

If you used part of the proceeds to improve your main home, you may be able to deduct the part of the points related to the improvement in the year paid. See Pub. 936 for details.

TIP *If you paid off a mortgage early, deduct any remaining points in the year you paid off the mortgage.*

Line 13

Investment Interest

Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to passive activities or to securities that generate tax-exempt income.

Complete and attach Form 4952 to figure your deduction.

Exception. You do not have to file Form 4952 if all three of the following apply.

1. Your investment interest expense is not more than your investment income from interest and ordinary dividends minus any qualified dividends.
2. You have no other deductible investment expenses.
3. You have no disallowed investment interest expense from 2005.

Alaska Permanent Fund dividends, including those reported on Form 8814, are not investment income.

For more details, see Pub. 550.

Gifts to Charity

You can deduct contributions or gifts you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals. Certain whaling captains may be able to deduct expenses paid in 2006 for Native Alaskan subsistence bowhead whale hunting activities. See Pub. 526 for details.

To verify an organization's charitable status, you can:

- Check with the organization to which you made the donation. The organization should be able to provide you with verification of its charitable status.
- See Pub. 78 for a list of most qualified organizations. You can access Pub. 78 on the IRS website at *www.irs.gov* under *Charities and Non-Profits*.
- Call our Tax Exempt/Government Entities Customer Account Services at 1-877-829-5500. Assistance is available Monday through Friday from 8:30 a.m. to 4:30 p.m. Eastern Time. These hours are subject to change.

Examples of Qualified Charitable Organizations

- Churches, mosques, synagogues, temples, etc.
- Boy Scouts, Boys and Girls Clubs of America, CARE, Girl Scouts, Goodwill Industries, Red Cross, Salvation Army, United Way, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' and certain cultural groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, state, and local governments if the gifts are solely for public purposes.

Contributions You Can Deduct

Contributions can be in cash (keep canceled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described earlier. If you drove to and from the volunteer work, you can take the actual cost of gas and oil or 14 cents a mile. But, if the volunteer work was to provide relief related to Hurricane Katrina, the amount is 32 cents a mile. Add parking and tolls to the amount you claim under either method. But do not deduct any amounts that were repaid to you.

Gifts from which you benefit. If you made a gift and received a benefit in return, such as food, entertainment, or merchandise, you can generally only deduct the amount that is more than the value of the benefit. But this rule does not apply to certain membership benefits provided in return for an annual payment of $75 or less. For details, see Pub. 526.

Example. You paid $70 to a charitable organization to attend a fund-raising dinner and the value of the dinner was $40. You can deduct only $30.

Gifts of $250 or more. You can deduct a gift of $250 or more only if you have a statement from the charitable organization showing the information in (1) and (2) below

1. The amount of any money contributed and a description (but not value) of any property donated.

2. Whether the organization did or did not give you any goods or services in return for your contribution. If you did receive any goods or services, a description and estimate of the value must be included. If you received only intangible religious benefits (such as admission to a religious ceremony), the organization must state this, but it does not have to describe or value the benefit.

In figuring whether a gift is $250 or more, do not combine separate donations. For example, if you gave your church $25 each week for a total of $1,300, treat each $25 payment as a separate gift. If you made donations through payroll deductions, treat each deduction from each paycheck as a separate gift. See Pub. 526 if you made a separate gift of $250 or more through payroll deduction

TIP *You must get the statement by the date you file your return or the due date (including extensions) for filing your return, whichever is earlier. Do not attach the statement to your return. Instead, keep it for your records.*

Limit on the amount you can deduct. See Pub. 526 to figure the amount of your deduction if any of the following applies.

1. Your cash contributions or contributions of ordinary income property are more than 30% of the amount on Form 1040, line 38

2. Your gifts of capital gain property are more than 20% of the amount on Form 1040, line 38

3. You gave gifts of property that increased in value or gave gifts of the use of property.

Contributions You Cannot Deduct

- Travel expenses (including meals and lodging) while away from home, unless there was no significant element of personal pleasure, recreation, or vacation in the travel.
- Political contributions.
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets. But you may be able to deduct these expenses on line 27. See page A-7 for details.
- Cost of tuition. But you may be able to deduct this expense on line 20 (see page A-6), or take a credit for this expense (see Form 8863).

At the time these instructions went to print, Congress was considering legislation that would extend the tuition and fees deduction that expired at the end of 2005. To find out if this legislation was enacted, and for more details, go to www.irs.gov, *click* on More Forms and Publications, *and then* on What's Hot in forms and publications, *or see Pub. 553*

- Value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred)
- Gifts to individuals and groups that are run for personal profit.
- Gifts to foreign organizations. But you may be able to deduct gifts to certain U.S. organizations that transfer funds to foreign charities and certain Canadian, Israeli, and Mexican charities. See Pub. 526 for details.
- Gifts to organizations engaged in certain political activities that are of direct financial interest to your trade or business. See section 170(f)(9).
- Gifts to groups whose purpose is to lobby for changes in the laws.
- Gifts to civic leagues, social and sports clubs, labor unions, and chambers of commerce.
- Value of benefits received in connection with a contribution to a charitable organization. See Pub. 526 for exceptions

Line 15

Gifts by Cash or Check

Enter on line 15 the total gifts you made in cash or by check (including out-of-pocket expenses).

Line 16

Other Than by Cash or Check

Enter your contributions of property. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. For more details on determining the value of donated property, see Pub. 561

If the amount of your deduction is more than $500, you must complete and attach Form 8283. For this purpose, the "amount of your deduction" means your deduction before applying any income limits that could result in a carryover of contributions. If you deduct more than $500 for a contribution of a motor vehicle, boat, or airplane, you must also attach a statement from the charitable organization to your return. If your total deduction is over $5,000, you may also have to get appraisals of the values of the donated property. This amount is $500 for certain contributions after August 17, 2006, of clothing and household items (see below). See Form 8283 and its instructions for details.

Contributions of clothing and household items after August 17, 2006. A deduction for these contributions will be allowed only if the items are in good used condition or better. However, this rule does not apply to a contribution of any single item for which a deduction of more than $500 is claimed and for which you include a qualified appraisal and Form 8283 with your tax return.

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization's name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:

- How you figured the property's value at the time you gave it. If the value was determined by an appraisal, keep a signed copy of the appraisal.
- The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.
- How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.
- Any conditions attached to the gift.

If your total deduction for gifts of property is over $500, you gave less than your entire interest in the property, or you made a "qualified conservation contribution," your records should contain additional information. See Pub. 526 for details.

Line 17

Carryover From Prior Year

Enter any carryover of contributions that you could not deduct in an earlier year because they exceeded your adjusted gross income limit. See Pub. 526 for details.

Casualty and Theft Losses

Line 19

Complete and attach Form 4684 to figure the amount of your loss to enter on line 19.

You may be able to deduct part or all of each loss caused by theft, vandalism, fire, storm, or similar causes, and car, boat, and other accidents. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution.

You can deduct nonbusiness casualty or theft losses only to the extent that:

1. The amount of each separate casualty or theft loss is more than $100, and

2. The total amount of all losses during the year (reduced by the $100 limit discussed in (1) above) is more than 10% of the amount on Form 1040, line 38.

TIP *The limits in items (1) and (2) above do not apply to casualty and theft losses that occurred in the Hurricane Katrina, Rita, or Wilma disaster areas if the loss was caused by Hurricane Katrina, Rita, or Wilma. See Form 4684 and its instructions for details.*

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. See Form 4684 and its instructions for details.

Use Schedule A, line 22, to deduct the costs of proving that you had a property loss. Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.

For information on federal disaster area losses, see Pub. 547. For information on tax benefits related to Hurricanes Katrina, Rita, or Wilma, see Pub. 4492.

Job Expenses and Certain Miscellaneous Deductions

You can deduct only the part of these expenses that exceeds 2% of the amount on Form 1040, line 38.

Pub. 529 discusses the types of expenses that can and cannot be deducted.

Examples of Expenses You Cannot Deduct

- Political contributions
- Legal expenses for personal matters that do not produce taxable income
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Commuting expenses. See Pub. 529 for the definition of commuting.
- Travel expenses for employment away from home if that period of employment exceeds 1 year. See Pub. 529 for an exception for certain federal employees.
- Travel as a form of education.
- Expenses of attending a seminar, convention, or similar meeting unless it is related to your employment.
- Club dues. See Pub. 529 for exceptions.
- Expenses of adopting a child. But you may be able to take a credit for adoption expenses. See Form 8839 for details
- Fines and penalties.
- Expenses of producing tax-exempt income.

Line 20

Unreimbursed Employee Expenses

Enter the total ordinary and necessary job expenses you paid for which you were not reimbursed. (Amounts your employer included in box 1 of your Form W-2 are not considered reimbursements.)

An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary

But you must fill in and attach Form 2106 if either (1) or (2) below applies

1. You claim any travel, transportation, meal, or entertainment expenses for your job.

2. Your employer paid you for any of your job expenses that you would otherwise report on line 20.

TIP *If you used your own vehicle and (2) above does not apply, you may be able to file Form 2106-EZ instead.*

If you do not have to file Form 2106 or 2106-EZ, list the type and amount of each expense on the dotted line next to line 20. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 20

At the time these instructions went to print, Congress was considering legislation that would extend the deduction for educator expenses that expired at the end of 2005. To find out if this legislation was enacted, and for more details, go to www.irs.gov, *click* on More Forms and Publications, *and then* on What's Hot in forms and publications, *or see Pub. 553. If this deduction was extended, do not include on line 20 any educator expenses you deduct.*

Examples of other expenses to include on line 20 are:

- Safety equipment, small tools, and supplies needed for your job
- Uniforms required by your employer that are not suitable for ordinary wear
- Protective clothing required in your work, such as hard hats, safety shoes, and glasses
- Physical examinations required by your employer.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Certain business use of part of your home. For details, including limits that apply, use TeleTax topic 509 (see page 8 of the Form 1040 instructions) or see Pub. 587.
- Certain educational expenses. For details, use TeleTax topic 513 (see page 8 of the Form 1040 instructions) or see Pub 970.

At the time these instructions went to print, Congress was considering legislation that would extend the tuition and fees deduction that expired at the end of 2005. To find out if this legislation was enacted, and for more details, go to www.irs.gov, *click* on More Forms and Publications, *and then* on What's Hot in forms and publications, *or see Pub. 553. If this deduction was extended, reduce your educational expenses by any tuition and fees deduction you claim.*

TIP *You may be able to take a credit for your educational expenses instead of a deduction. See Form 8863 for details.*

Line 21

Tax Preparation Fees

Enter the fees you paid for preparation of your tax return, including fees paid for filing your return electronically. If you paid your tax by credit card, do not include the convenience fee you were charged.

Line 22

Other Expenses

Enter the total amount you paid to produce or collect taxable income and manage or protect property held for earning income. But do not include any personal expenses. List the type and amount of each expense on the dotted lines next to line 22. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 22

Examples of expenses to include on line 22 are:

- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (for example, trust account) fees.
- Your share of the investment expenses of a regulated investment company.
- Certain losses on nonfederally insured deposits in an insolvent or bankrupt financial institution. For details, including limits that apply, see Pub. 529.
- Casualty and theft losses of property used in performing services as an employee from Form 4684, lines 35 and 41b, or Form 4797, line 18a.
- Deduction for repayment of amounts under a claim of right if $3,000 or less.

Other Miscellaneous Deductions

Line 27

Only the expenses listed next can be deducted on this line. List the type and amount of each expense on the dotted lines next to line 27. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 27.

- Gambling losses, but only to the extent of gambling winnings reported on Form 1040, line 21.
- Casualty and theft losses of income-producing property from Form 4684, lines 35 and 41b, or Form 4797, line 18a.
- Loss from other activities from Schedule K-1 (Form 1065-B), box 2.
- Federal estate tax on income in respect of a decedent.
- Amortizable bond premium on bonds acquired before October 23, 1986.
- Deduction for repayment of amounts under a claim of right if over $3,000. See Pub. 525 for details.
- Certain unrecovered investment in a pension.
- Impairment-related work expenses of a disabled person.

For more details, see Pub. 529.

Total Itemized Deductions

Line 28

Use the worksheet below to figure the amount to enter on line 28 if the amount on Form 1040, line 38, is over $150,500 ($75,250 if married filing separately).

Line 29

If you elect to itemize for state tax or other purposes even though your itemized deductions are less than your standard deduction, check the box on line 29.

Itemized Deductions Worksheet—Line 28 *Keep for Your Records*

1. Enter the total of the amounts from Schedule A, lines 4, 9, 14, 18, 19, 26, and 27		1.
2. Enter the total of the amounts from Schedule A, lines 4, 13, and 19, plus any gambling and casualty or theft losses included on line 27		2.
Be sure your total gambling and casualty or theft losses are clearly identified on the dotted lines next to line 27.		
3. Is the amount on line 2 less than the amount on line 1? ☐ **No.** STOP Your deduction is not limited. Enter the amount from line 1 above on Schedule A, line 28. ☐ **Yes.** Subtract line 2 from line 1		3.
4. Multiply line 3 by 80% (.80)	4.	
5. Enter the amount from Form 1040, line 38	5.	
6. Enter $150,500 ($75,250 if married filing separately)	6.	
7. Is the amount on line 6 less than the amount on line 5? ☐ **No.** STOP Your deduction is not limited. Enter the amount from line 1 above on Schedule A, line 28. ☐ **Yes.** Subtract line 6 from line 5	7.	
8. Multiply line 7 by 3% (.03)	8.	
9. Enter the **smaller** of line 4 or line 8		9.
10. Divide line 9 by 3		10.
11. Subtract line 10 from line 9		11.
12. **Total itemized deductions.** Subtract line 11 from line 1. Enter the result here and on Schedule A, line 28		12.

Instructions for Schedule B, Interest and Ordinary Dividends

Use Schedule B (Form 1040) if any of the following applies:

- You had over $1,500 of taxable interest.
- Any of the *Special Rules* listed in the instructions for line 1 apply to you.
- You are claiming the exclusion of interest from series EE or I U.S. savings bonds issued after 1989.
- You had over $1,500 of ordinary dividends.
- You received ordinary dividends as a nominee.
- You had a foreign account or you received a distribution from, or were a grantor of, or transferor to, a foreign trust. Part III of the schedule has questions about foreign accounts and trusts.

TIP *You can list more than one payer on each entry space for lines 1 and 5, but be sure to clearly show the amount paid next to the payer's name. Add the separate amounts paid by the payers listed on an entry space and enter the total in the "Amount" column. If you still need more space, attach separate statements that are the same size as the printed schedule. Use the same format as lines 1 and 5, but show your totals on Schedule B. Be sure to put your name and social security number (SSN) on the statements and attach them at the end of your return.*

Part I. Interest

Line 1

Interest

Report on line 1 all of your taxable interest. Interest should be shown on your Forms 1099-INT, Forms 1099-OID, or substitute statements. Include interest from series EE and I U.S. savings bonds. List each payer's name and show the amount.

Special Rules

Seller-Financed Mortgages

If you sold your home or other property and the buyer used the property as a personal residence, list first any interest the buyer paid you on a mortgage or other form of seller financing. Be sure to show the buyer's name, address, and SSN. You must also let the buyer know your SSN. If you do not show the buyer's name, address, and SSN, or let the buyer know your SSN, you may have to pay a $50 penalty.

Nominees

If you received a Form 1099-INT that includes interest you received as a nominee (that is, in your name, but the interest actually belongs to someone else), report the total on line 1. Do this even if you later distributed some or all of this income to others. Under your last entry on line 1, put a subtotal of all interest listed on line 1. Below this subtotal, enter "Nominee Distribution" and show the total interest you received as a nominee. Subtract this amount from the subtotal and enter the result on line 2.

TIP *If you received interest as a nominee, you must give the actual owner a Form 1099-INT unless the owner is your spouse. You must also file a Form 1096 and a Form 1099-INT with the IRS. For more details, see the* General Instructions for Forms 1099, 1098, 5498, and W-2G *and the* Instructions for Forms 1099-INT and 1099-OID.

Accrued Interest

When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller. If you received a Form 1099 for interest as a purchaser of a bond with accrued interest, follow the rules earlier under *Nominees* to see how to report the accrued interest on Schedule B. But identify the amount to be subtracted as "Accrued Interest."

Original Issue Discount (OID)

If you are reporting OID in an amount less than the amount shown on Form 1099-OID, follow the rules earlier under *Nominees* to see how to report the OID on Schedule B. But identify the amount to be subtracted as "OID Adjustment."

Amortizable Bond Premium

If you are reducing your interest income on a bond by the amount of amortizable bond premium, follow the rules earlier under *Nominees* to see how to report the interest on Schedule B. But identify the amount to be subtracted as "ABP Adjustment."

Line 3

Excludable Interest on Series EE and I U.S. Savings Bonds Issued After 1989

If, during 2006, you cashed series EE or I U.S. savings bonds issued after 1989 and you paid qualified higher education expenses for yourself, your spouse, or your dependents, you may be able to exclude part or all of the interest on those bonds. See Form 8815 for details.

Part II. Ordinary Dividends

TIP *You may have to file Form 5471 if, in 2006, you were an officer or director of a foreign corporation. You may also have to file Form 5471 if, in 2006, you owned 10% or more of the total (a) value of a foreign corporation's stock, or (b) combined voting power of all classes of a foreign corporation's stock with voting rights. For details, see Form 5471 and its instructions.*

Line 5

Ordinary Dividends

Report on line 5 all of your ordinary dividends. This amount should be shown in box 1a of your Forms 1099-DIV or substitute statements. List each payer's name and show the amount.

Nominees

If you received a Form 1099-DIV that includes ordinary dividends you received as a nominee (that is, in your name, but the ordinary dividends actually belong to someone else), report the total on line 5. Do this even if you later distributed some or all of this income to others. Under your last entry on line 5, put a subtotal of all ordinary dividends listed on line 5. Below this subtotal, enter "Nominee Distribution" and show the total ordinary dividends you received as a nominee. Subtract this amount from the subtotal and enter the result on line 6.

TIP *If you received dividends as a nominee, you must give the actual owner a Form 1099-DIV unless the owner is your spouse. You must also file a Form 1096 and a Form 1099-DIV with the IRS. For more details, see the* General Instructions for Forms 1099, 1098, 5498, and W-2G *and the* Instructions for Form 1099-DIV.

Part III. Foreign Accounts and Trusts

Lines 7a and 7b

Foreign Accounts

Line 7a

Check the "Yes" box on line 7a if either (1) or (2) below applies.

1. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

2. At any time during 2006 you had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

TIP *For line 7a, item (2) does not apply to foreign securities held in a U.S. securities account.*

Exceptions. Check the "No" box if any of the following applies to you

- The combined value of the accounts was $10,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.
- You were an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation; the account was in your employer's name; and you did not have a personal financial interest in the account.
- You were an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than $10 million and 500 or more shareholders of record; the account was in your employer's name; you did not have a personal financial interest in the account; and the corporation's chief financial officer has given you written notice that the corporation has filed a current report that includes the account.

See Form TD F 90-22.1 to find out if you are considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account). You can get Form TD F 90-22.1 by visiting the IRS website at *www.irs.gov/pub/irs-pdf/f90022-1.pdf*.

If you checked the "Yes" box on line 7a, file Form TD F 90-22.1 by June 30, 2007, with the Department of the Treasury at the address shown on that form. Do not attach it to Form 1040.

[redacted] *If you are required to file Form TD F 90-22.1 but do not do so, you may have to pay a penalty of up to $10,000 (more in some cases).*

Line 7b

If you checked the "Yes" box on line 7a, enter the name of the foreign country or countries in the space provided on line 7b. Attach a separate statement if you need more space.

Line 8

Foreign Trusts

If you received a distribution from a foreign trust, you must provide additional information. For this purpose, a loan of cash or marketable securities generally is considered to be a distribution. See Form 3520 for details.

If you were the grantor of, or transferor to, a foreign trust that existed during 2006, you may have to file Form 3520.

Department of the Treasury
Internal Revenue Service

2006 Instructions for Schedule C

Profit or Loss From Business

Use Schedule C (Form 1040) to report income or loss from a business you operated or a profession you practiced as a sole proprietor. Also, use Schedule C to report wages and expenses you had as a statutory employee. An activity qualifies as a business if your primary purpose for engaging in the activity is for income or profit and you are involved in the activity with continuity and regularity. For example, a sporadic activity or a hobby does not qualify as a business. To report income from a nonbusiness activity, see the instructions for Form 1040, line 21, or Form 1040NR, line 21.

Small businesses and statutory employees with expenses of $5,000 or less may be able to file Schedule C-EZ instead of Schedule C. See Schedule C-EZ for details.

You may be subject to state and local taxes and other requirements such as business licenses and fees. Check with your state and local governments for more information.

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

Deduction for qualified clean-up costs. You may be able to deduct 50% of amounts paid or incurred for the removal of debris or demolition of structures located in the Gulf Opportunity (GO) Zone. See *GO Zone clean-up costs* on page C-8.

Increased expensing for qualified timber property. For qualified timber property you own in the GO Zone, the Rita GO Zone, or the Wilma GO Zone, the limit on expensing reforestation expenditures is increased by up to $10,000. See *Forestation and reforestation costs* beginning on page C-7 and Pub. 4492.

Increased section 179 limits for GO Zone property. You may be able to take an increased section 179 deduction for qualified GO Zone property you placed in service in 2006. For information, see Pub. 946.

Additional depreciation allowed for qualified property. If, during 2006, you placed in service qualified property in the GO Zone, you may be able to claim additional depreciation deductions. See Pub. 946 for more information.

Amortization of expenses incurred in creating or acquiring music or music copyrights. Beginning in 2006, if you placed in service any musical composition or copyright with respect to a musical composition, you may elect to amortize the expenses incurred over a 5-year period. See Pub. 946 for more information.

Employee retention credit has expired. This credit was available for qualified wages paid before January 1, 2006.

Clean-fuel vehicle and refueling property deductions have expired. These deductions were available for property placed in service before January 1, 2006.

Indian employment credit has expired. This credit was available for qualified wages paid before January 1, 2006.

CAUTION *At the time these instructions went to print, Congress was considering legislation that would extend the Indian employment credit that expired at the end of 2005. To find out if this legislation was enacted, and for more details, go to* www.irs.gov, *click* on More Forms and Publications, *and then* on What's Hot in forms and publications, *or see Pub. 553.*

General Instructions

Other Schedules and Forms You May Have To File

- Schedule A to deduct interest, taxes, and casualty losses not related to your business.
- Schedule E to report rental real estate and royalty income or (loss) that is not subject to self-employment tax.
- Schedule F to report profit or (loss) from farming.
- Schedule J to figure your tax by averaging your fishing income over the previous 3 years. Doing so may reduce your tax.
- Schedule SE to pay self-employment tax on income from any trade or business.
- Form 4562 to claim depreciation on assets placed in service in 2006, to claim amortization that began in 2006, to make an election under section 179 to expense certain property, or to report information on listed property.
- Form 4684 to report a casualty or theft gain or loss involving property used in your trade or business or income-producing property.
- Form 4797 to report sales, exchanges, and involuntary conversions (not from a casualty or theft) of trade or business property.
- Form 8594 to report certain purchases or sales of groups of assets that constitute a trade or business.
- Form 8824 to report like-kind exchanges.
- Form 8826 to claim a credit for expenditures to improve access to your business for individuals with disabilities.
- Form 8829 to claim expenses for business use of your home.
- Form 8903 to take a deduction for income from domestic production activities.
- Form 8910 to claim a credit for placing a new alternative motor vehicle in service after 2005 for business use.
- Form 8911 to claim a credit for placing qualified alternative fuel vehicle refueling property in service after 2005 for business use.

Husband-wife business. If you and your spouse jointly own and operate a business and share in the profits and losses, you are partners in a partnership, whether or not you have a formal partnership agreement. Do not use Schedule C or C-EZ. Instead, file Form 1065. See Pub. 541 for more details.

Exception. If you and your spouse wholly own an unincorporated business as community property under the community property laws of a state, foreign country, or U.S. possession, you can treat the business either as a sole proprietorship or a partnership. The only states with community property laws are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. A change in your reporting position will be treated as a conversion of the entity.

Single-member limited liability company (LLC). Generally, a single-member domestic LLC is not treated as a separate entity for federal income tax purposes. If you are the sole member of a domestic LLC, file Schedule C or C-EZ (or Schedule E or F, if applicable). However, you can elect to treat a domestic LLC as a corporation. See Form 8832 for details on the election and the tax treatment of a foreign LLC.

Cat. No. 24329W

Heavy highway vehicle use tax. If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your trade or business, you may have to pay a federal highway motor vehicle use tax. See the Instructions for Form 2290 to find out if you owe this tax.

Information returns. You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, real estate transactions, annuities, and pensions. You may also have to file an information return if you sold $5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other similar basis for resale. For details, see the 2006 General Instructions for Forms 1099, 1098, 5498, and W-2G.

If you received cash of more than $10,000 in one or more related transactions in your trade or business, you may have to file Form 8300. For details, see Pub. 1544.

Reportable Transaction Disclosure Statement

Use Form 8886 to disclose information for each reportable transaction in which you participated. Form 8886 must be filed for each tax year that your federal income tax liability is affected by your participation in the transaction. You may have to pay a penalty if you are required to file Form 8886 but do not do so. You may also have to pay interest and penalties on any reportable transaction understatements. The following are reportable transactions.

- Any transaction that is the same as or substantially similar to tax avoidance transactions identified by the IRS.
- Any transaction offered under conditions of confidentiality for which you paid an advisor a minimum fee.
- Any transaction for which you have contractual protection against disallowance of the tax benefits.
- Any transaction resulting in a loss of at least $2 million in any single tax year or $4 million in any combination of tax years. (At least $50,000 for a single tax year if the loss arose from a foreign currency transaction defined in section 988(c)(1), whether or not the loss flows through from an S corporation or partnership.)
- Any transaction resulting in a tax credit of more than $250,000, if you held the asset generating the credit for 45 days or less.

See the Instructions for Form 8886 for more details and exceptions.

Capital Construction Fund

Do not claim on Schedule C or C-EZ the deduction for amounts contributed to a capital construction fund set up under the Merchant Marine Act of 1936. Instead, reduce the amount you would otherwise enter on Form 1040, line 43, by the amount of the deduction. Next to line 43, enter "CCF" and the amount of the deduction. For details, see Pub. 595.

Additional Information

See Pub. 334 for more information for small businesses.

Specific Instructions

Filers of Form 1041. Do not complete the block labeled "Social security number (SSN)." Instead, enter your employer identification number (EIN) on line D.

Line A

Describe the business or professional activity that provided your principal source of income reported on line 1. If you owned more than one business, you must complete a separate Schedule C for each business. Give the general field or activity and the type of product or service. If your general field or activity is wholesale or retail trade, or services connected with production services (mining, construction, or manufacturing), also give the type of customer or client. For example, "wholesale sale of hardware to retailers" or "appraisal of real estate for lending institutions."

Line D

You need an employer identification number (EIN) only if you had a qualified retirement plan or were required to file an employment, excise, estate, trust, or alcohol, tobacco, and firearms tax return. If you need an EIN, see the Instructions for Form SS-4. If you do not have an EIN, leave line D blank. Do not enter your SSN.

Line E

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any. If you conducted the business from your home located at the address shown on Form 1040, page 1, you do not have to complete this line.

Line F

Generally, you can use the cash method, accrual method, or any other method permitted by the Internal Revenue Code. In all cases, the method used must clearly reflect income. Unless you are a qualifying taxpayer or a qualifying small business taxpayer (see the Part III instructions on page C-7), you must use the accrual method for sales and purchases of inventory items. Special rules apply to long-term contracts. See section 460 for details.

If you use the cash method, show all items of taxable income actually or constructively received during the year (in cash, property, or services). Income is constructively received when it is credited to your account or set aside for you to use. Also, show amounts actually paid during the year for deductible expenses. However, if the payment of an expenditure creates an asset having a useful life that extends substantially beyond the close of the year, it may not be deductible or may be deductible only in part for the year of the payment. See Pub. 535.

If you use the accrual method, report income when you earn it and deduct expenses when you incur them even if you do not pay them during the tax year. Accrual-basis taxpayers are put on a cash basis for deducting business expenses owed to a related cash-basis taxpayer. Other rules determine the timing of deductions based on economic performance. See Pub. 538.

To change your accounting method, you generally must file Form 3115. You may also have to make an adjustment to prevent amounts of income or expense from being duplicated or omitted. This is called a section 481(a) adjustment.

Example. You change to the cash method of accounting and choose to account for inventoriable items in the same manner as materials and supplies that are not incidental. You accrued sales in 2005 for which you received payment in 2006. You must report those sales in both years as a result of changing your accounting method and must make a section 481(a) adjustment to prevent duplication of income.

A net negative section 481(a) adjustment is taken into account entirely in the year of the change. A net positive section 481(a) adjustment is generally taken into account over a period of 4 years. Include any net positive section 481(a) adjustments on line 6. If the net section 481(a) adjustment is negative, report it in Part V.

For details on figuring section 481(a) adjustments, see the Instructions for Form 3115, Rev. Proc. 2004-23, 2004-16 I.R.B. 785, available at *www.irs.gov/irb/2004-16_IRB/ar11.html*, and Rev. Proc. 2004-57, 2004-38 I.R.B. 498, available at *www.irs.gov/irb/2004-38_IRB/ar11.html*.

Line G

If your business activity was not a rental activity and you met any of the material participation tests below or the exception for oil and gas applies (explained on page C-3), check the "Yes" box. Otherwise, check the "No" box. If you check the "No" box, this business is a passive activity. If you have a loss from this business, see *Limit on losses* on page C-3. If you have a profit from this business activity but have current year losses from other passive activities or you have prior year unallowed passive activity losses, see the Instructions for Form 8582.

Material participation. Participation, for purposes of the seven material participation tests listed on page C-3, generally includes any work you did in connection with an activity if you owned an interest in the activity at the time you did the work. The capacity in which you did the work does not matter. However, work is not treated as participation if it is work that an owner would not customarily do in the same type of activity and one of your main reasons for doing the work was to avoid the disallowance of losses or credits from the activity under the passive activity rules.

Work you did as an investor in an activity is not treated as participation unless you were directly involved in the day-to-day management or operations of the activity. Work done as an investor includes:

- Studying and reviewing financial statements or reports on the activity,
- Preparing or compiling summaries or analyses of the finances or operations of the activity for your own use, and
- Monitoring the finances or operations of the activity in a nonmanagerial capacity.

Participation by your spouse during the tax year in an activity you own can be counted as your participation in the activity. This applies even if your spouse did not own an interest in the activity and whether or not you and your spouse file a joint return.

For purposes of the passive activity rules, you materially participated in the operation of this trade or business activity during 2006 if you met any of the following seven tests.

1. You participated in the activity for more than 500 hours during the tax year.
2. Your participation in the activity for the tax year was substantially all of the participation in the activity of all individuals (including individuals who did not own any interest in the activity) for the tax year.
3. You participated in the activity for more than 100 hours during the tax year, and you participated at least as much as any other person for the tax year. This includes individuals who did not own any interest in the activity.
4. The activity is a significant participation activity for the tax year, and you participated in all significant participation activities for more than 500 hours during the year. An activity is a "significant participation activity" if it involves the conduct of a trade or business, you participated in the activity for more than 100 hours during the tax year, and you did not materially participate under any of the material participation tests (other than this test 4).
5. You materially participated in the activity for any 5 of the prior 10 tax years.
6. The activity is a personal service activity in which you materially participated for any 3 prior tax years. A personal service activity is an activity that involves performing personal services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, or any other trade or business in which capital is not a material income-producing factor.
7. Based on all the facts and circumstances, you participated in the activity on a regular, continuous, and substantial basis during the tax year. But you do not meet this test if you participated in the activity for 100 hours or less during the tax year. Your participation in managing the activity does not count in determining if you meet this test if any person (except you) (a) received compensation for performing management services in connection with the activity or (b) spent more hours during the tax year than you spent performing management services in connection with the activity (regardless of whether the person was compensated for the services).

Rental of personal property. A rental activity (such as long-term equipment leasing) is a passive activity even if you materially participated in the activity. However, if you met any of the five exceptions listed under *Rental Activities* in the Instructions for Form 8582, the rental of the property is not treated as a rental activity and the material participation rules above apply.

Exception for oil and gas. If you are filing Schedule C to report income and deductions from an oil or gas well in which you own a working interest directly or through an entity that does not limit your liability, check the "Yes" box. The activity of owning the working interest is not a passive activity regardless of your participation.

Limit on losses. If you checked the "No" box and you have a loss from this business, you may have to use Form 8582 to figure your allowable loss, if any, to enter on Schedule C, line 31. Generally, you can deduct losses from passive activities only to the extent of income from passive activities. For details, see Pub. 925.

Line H

If you started or acquired this business in 2006, check the box on line H. Also check the box if you are reopening or restarting this business after temporarily closing it, and you did not file a 2005 Schedule C or C-EZ for this business.

Part I. Income

Except as otherwise provided in the Internal Revenue Code, gross income includes income from whatever source derived. Gross income, however, does not include extraterritorial income that is qualifying foreign trade income. Use Form 8873 to figure the extraterritorial income exclusion. Report it on Schedule C as explained in the Instructions for Form 8873.

If you were a debtor in a chapter 11 bankruptcy case during 2006, see page 22 of the instructions for Form 1040 and page SE-2 of the instructions for Schedule SE (Form 1040).

Line 1

Enter gross receipts from your trade or business. Include amounts you received in your trade or business that were properly shown on Forms 1099-MISC. If the total amounts that were reported in box 7 of Forms 1099-MISC are more than the total you are reporting on line 1, attach a statement explaining the difference.

Statutory employees. If you received a Form W-2 and the "Statutory employee" box in box 13 of that form was checked, report your income and expenses related to that income on Schedule C or C-EZ. Enter your statutory employee income from box 1 of Form W-2 on line 1 of Schedule C or C-EZ and check the box on that line. Social security and Medicare tax should have been withheld from your earnings; therefore, you do not owe self-employment tax on these earnings. Statutory employees include full-time life insurance agents, certain agent or commission drivers and traveling salespersons, and certain homeworkers.

If you had both self-employment income and statutory employee income, you must file two Schedules C. You cannot use Schedule C-EZ or combine these amounts on a single Schedule C.

Installment sales. Generally, the installment method cannot be used to report income from the sale of (a) personal property regularly sold under the installment method, or (b) real property held for resale to customers. But the installment method can be used to report income from sales of certain residential lots and timeshares if you elect to pay interest on the tax due on that income after the year of sale. See section 453(l)(2)(B) for details. If you make this election, include the interest on Form 1040, line 63. Also, enter "453(l)(3)" and the amount of the interest on the dotted line to the left of line 63.

If you use the installment method, attach a schedule to your return. Show separately for 2006 and the 3 preceding years: gross sales, cost of goods sold, gross profit, percentage of gross profit to gross sales, amounts collected, and gross profit on amounts collected.

Line 6

Report on line 6 amounts from finance reserve income, scrap sales, bad debts you recovered, interest (such as on notes and accounts receivable), state gasoline or fuel tax refunds you got in 2006, credit for biodiesel and renewable diesel fuels claimed on Form 8864, credit for alcohol used as fuel claimed on Form 6478, credit for federal tax paid on gasoline or other fuels claimed on your 2005 Form 1040, prizes and awards related to your trade or business, and other kinds of miscellaneous business income. Include amounts you received in your trade or business as shown on Form 1099-PATR. Also, include any recapture of the deduction for clean-fuel vehicles used in your business and clean-fuel vehicle refueling property. For details, see Pub. 535.

If the business use percentage of any listed property (defined in the instructions for line 13 on page C-4) decreased to 50% or less in 2006, report on this line any recapture of excess depreciation, including any section 179 expense deduction. Use Form 4797 to figure the recapture. Also, if the business use percentage drops to 50% or less on leased listed property (other than a vehicle), include on this line any inclusion amount. See Pub. 946 to figure the amount.

Part II. Expenses

Capitalizing costs of property. If you produced real or tangible personal property or acquired property for resale, certain expenses attributable to the property generally must be included in inventory costs or capitalized. In addition to direct costs, producers of inventory property generally must also include part of certain indirect costs in their inventory. Purchasers of personal property acquired for resale must include part of certain indirect costs in inventory only if the average annual gross receipts for the 3 prior tax years exceed $10 million. Also, you must capitalize part of the indirect costs that benefit real or tangible personal property constructed for use in a trade or business, or noninventory property produced for sale to customers. Reduce the amounts on lines 8 through 26 and Part V by amounts capitalized. For details, see Pub. 538.

Exception for certain producers. Producers who account for inventoriable items in the same manner as materials and supplies that are not incidental can currently deduct expenditures for direct labor and all indirect costs that would otherwise be included in inventory costs. See *Cost of Goods Sold* on page C-7 for more details.

Exception for creative property. If you are an artist, author, or photographer, you may be exempt from the capitalization rules. However, your personal efforts must have created (or reasonably be expected to create) the property. This exception does not apply to any expense related to printing, photographic plates, motion picture films, video tapes, or similar items. These expenses are subject to the capitalization rules. For details, see Pub. 538.

Line 9

You can deduct the actual expenses of running your car or truck or take the standard mileage rate. You must use actual expenses if you used your vehicle for hire (such as a taxicab) or you used five or more vehicles simultaneously in your business (such as in fleet operations). You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

You can take the standard mileage rate for 2006 only if you:

- Owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or
- Leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

If you deduct actual expenses:

- Include on line 9 the business portion of expenses for gasoline, oil, repairs, insurance, tires, license plates, etc., and
- Show depreciation on line 13 and rent or lease payments on line 20a.

If you take the standard mileage rate, multiply the number of business miles driven by 44.5 cents.

Add to this amount your parking fees and tolls, and enter the total on line 9. Do not deduct depreciation, rent or lease payments, or your actual operating expenses.

For details, see Pub. 463.

Information on your vehicle. If you claim any car and truck expenses, you must provide certain information on the use of your vehicle by completing one of the following.

- Schedule C, Part IV, or Schedule C-EZ, Part III, if: (a) you are claiming the standard mileage rate, you lease your vehicle, or your vehicle is fully depreciated, and (b) you are not required to file Form 4562 for any other reason. If you used more than one vehicle during the year, attach your own schedule with the information requested in Schedule C, Part IV, or Schedule C-EZ, Part III, for each additional vehicle.
- Form 4562, Part V, if you are claiming depreciation on your vehicle or you are required to file Form 4562 for any other reason (see the instructions for line 13).

Line 11

Enter the total cost of contract labor for the tax year. Do not include contract labor deducted elsewhere on your return such as contract labor that is includible on line 17, 21, 26, or 37. Also, do not include salaries and wages paid to your employees, instead see line 26.

Line 12

Enter your deduction for depletion on this line. If you have timber depletion, attach Form T. See Pub. 535 for details.

Line 13

Depreciation and section 179 expense deduction. Depreciation is the annual deduction allowed to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. You can also depreciate improvements made to leased business property. However, stock in trade, inventories, and land are not depreciable. Depreciation starts when you first use the property in your business or for the production of income. It ends when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business or for the production of income. You can also elect under section 179 to expense part or all of the cost of certain property you bought in 2006 for use in your business. See the instructions for Form 4562 and Pub. 946 to figure the amount to enter on line 13.

When to attach Form 4562. You must complete and attach Form 4562 only if:

- You are claiming depreciation on property placed in service during 2006;
- You are claiming depreciation on listed property (defined below), regardless of the date it was placed in service; or
- You are claiming a section 179 expense deduction.

If you acquired depreciable property for the first time in 2006, see Pub. 946.

Listed property generally includes, but is not limited to:

- Passenger automobiles weighing 6,000 pounds or less;
- Any other property used for transportation if the nature of the property lends itself to personal use, such as motorcycles, pickup trucks, etc.;
- Any property used for entertainment or recreational purposes (such as photographic, phonographic, communication, and video recording equipment);
- Cellular telephones or other similar telecommunications equipment; and
- Computers or peripheral equipment.

Exceptions. Listed property does not include photographic, phonographic, communication, or video equipment used exclusively in your trade or business or at your regular business establishment. It also does not include any computer or peripheral equipment used exclusively at a regular business establishment and owned or leased by the person operating the establishment. For purposes of these exceptions, a portion of your home is treated as a regular business establishment only if that portion meets the requirements under section 280A(c)(1) for deducting expenses for the business use of your home.

See the instructions for line 6 on page C-3 if the business use percentage of any listed property decreased to 50% or less in 2006.

Line 14

Deduct contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 19. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs. If you made contributions on your behalf as a self-employed person to a dependent care assistance program, complete Form 2441, Parts I and III, to figure your deductible contributions to that program.

You cannot deduct contributions you made on your behalf as a self-employed person for group-term life insurance.

Do not include on line 14 any contributions you made on your behalf as a self-employed person to an accident and health plan. However, you may be able to deduct on Form 1040, line 29, or Form 1040NR, line 28, the amount you paid for health insurance on behalf of yourself, your spouse, and dependents, even if you do not itemize your deductions. See the instructions for Form 1040, line 29, or Form 1040NR, line 28, for details.

Line 15

Deduct premiums paid for business insurance on line 15. Deduct on line 14 amounts paid for employee accident and health insurance. Do not deduct amounts credited to a reserve for self-insurance or premiums paid for a policy that pays for your lost earnings due to sickness or disability. For details, see Pub. 535.

Lines 16a and 16b

Interest allocation rules. The tax treatment of interest expense differs depending on its type. For example, home mortgage interest and investment interest are treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted (or capitalized) on the correct line of your return and receives the right tax treatment. These rules could affect how much interest you are allowed to deduct on Schedule C or C-EZ.

Generally, you allocate interest expense by tracing how the proceeds of the loan were used. See Pub. 535 for details.

If you paid interest on a debt secured by your main home and any of the proceeds from that debt were used in connection with your trade or business, see Pub. 535 to figure the amount that is deductible on Schedule C or C-EZ.

How to report. If you have a mortgage on real property used in your business (other than your main home), enter on line 16a the interest you paid for 2006 to banks or other financial institutions for which you received a Form 1098 (or similar statement). If you did not receive a Form 1098, enter the interest on line 16b.

If you paid more mortgage interest than is shown on Form 1098, see Pub. 535 to find out if you can deduct the additional interest. If you can, include the amount on line 16a. Attach a statement to your return explaining the difference and enter "See attached" to the margin next to line 16a.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098, include your share of the interest on line 16b. Attach a statement to your return showing the name and address of the person who received the Form 1098. In the margin next to line 16b, enter "See attached."

If you paid interest in 2006 that also applies to future years, deduct only the part that applies to 2006.

Line 17

Include on this line fees for tax advice related to your business and for preparation of the tax forms related to your business.

Line 19

Enter your deduction for contributions to a pension, profit-sharing, or annuity plan, or plan for the benefit of your employees. If the plan included you as a self-employed person, enter contributions made as an employer on your behalf on Form 1040, line 28, or Form 1040NR, line 27, not on Schedule C.

Generally, you must file the applicable form listed below if you maintain a pension, profit-sharing, or other funded deferred compensation plan. The filing requirement is not affected by whether or not the plan qualified under the Internal Revenue Code, or whether or not you claim a deduction for the current tax year. There is a penalty for failure to timely file these forms.

Form 5500-EZ. File this form for a one-participant plan. A one-participant plan is a plan that only covers you (or you and your spouse).

Form 5500. File this form for a plan that is not a one-participant plan.

For details, see Pub. 560.

Lines 20a and 20b

If you rented or leased vehicles, machinery, or equipment, enter on line 20a the business portion of your rental cost. But if you leased a vehicle for a term of 30 days or more, you may have to reduce your deduction by an amount called the inclusion amount. See *Leasing a Car* in Pub. 463 to figure your inclusion amount.

Enter on line 20b amounts paid to rent or lease other property, such as office space in a building.

Line 21

Deduct the cost of repairs and maintenance. Include labor, supplies, and other items that do not add to the value or increase the life of the property. Do not deduct the value of your own labor. Do not deduct amounts spent to restore or replace property; they must be capitalized.

Line 22

Generally, you can deduct the cost of supplies only to the extent you actually consumed and used them in your business during the tax year (unless you deducted them in a prior tax year). However, if you had incidental supplies on hand for which you kept no inventories or records of use, you can deduct the cost of supplies you actually purchased during the tax year, provided that method clearly reflects income.

Line 23

You can deduct the following taxes and licenses on this line.

- State and local sales taxes imposed on you as the seller of goods or services. If you collected this tax from the buyer, you must also include the amount collected in gross receipts or sales on line 1.
- Real estate and personal property taxes on business assets.
- Licenses and regulatory fees for your trade or business paid each year to state or local governments. But some licenses, such as liquor licenses, may have to be amortized. See Pub. 535 for details.
- Social security and Medicare taxes paid to match required withholding from your employees' wages. Also, federal unemployment tax paid. Reduce your deduction by the amount shown on Form 8846, line 4.
- Federal highway use tax.

Do not deduct the following.

- Federal income taxes, including your self-employment tax. However, you can deduct one-half of your self-employment tax on Form 1040, line 27.
- Estate and gift taxes.
- Taxes assessed to pay for improvements, such as paving and sewers.
- Taxes on your home or personal use property.
- State and local sales taxes on property purchased for use in your business. Instead, treat these taxes as part of the cost of the property.
- State and local sales taxes imposed on the buyer that you were required to collect and pay over to state or local governments. These taxes are not included in gross receipts or sales nor are they a deductible expense. However, if the state or local government allowed you to retain any part of the sales tax you collected, you must include that amount as income on line 6.
- Other taxes and license fees not related to your business.

Line 24a

Enter your expenses for lodging and transportation connected with overnight travel for business while away from your tax home. Generally, your tax home is your main place of business regardless of where you maintain your family home. You cannot deduct expenses paid or incurred in connection with employment away from home if that period of employment exceeds 1 year. Also, you cannot deduct travel expenses for your spouse, your dependent, or any other individual unless that person is your employee, the travel is for a bona fide business purpose, and the expenses would otherwise be deductible by that person.

Do not include expenses for meals and entertainment on this line. Instead, see the instructions for line 24b on page C-6.

Instead of keeping records of your actual incidental expenses, you can use an optional method for deducting incidental expenses only if you did not pay or incur meal expenses on a day you were traveling away from your tax home. The amount of the deduction is $3 a day. Incidental expenses include fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others on ships, and hotel servants in foreign countries. They do not include expenses for laundry, cleaning and pressing of clothing, lodging taxes, or the costs of telegrams or telephone calls. You cannot use this method on any day that you use the standard meal allowance (as explained in the instructions for line 24b).

You cannot deduct expenses for attending a foreign convention unless it is directly related to your trade or business and it is as reasonable for the meeting to be held outside the North American area as within it. These rules apply to both employers and

employees. Other rules apply to luxury water travel.

For details, see Pub. 463.

Line 24b

Enter your total deductible business meal and entertainment expenses. Include meal expenses while traveling away from home for business.

Deductible expenses. Business meal expenses are deductible only if they are (a) directly related to or associated with the active conduct of your trade or business, (b) not lavish or extravagant, and (c) incurred while you or your employee is present at the meal.

You cannot deduct any expense paid or incurred for a facility (such as a yacht or hunting lodge) used for any activity usually considered entertainment, amusement, or recreation.

Also, you cannot deduct membership dues for any club organized for business, pleasure, recreation, or other social purpose. This includes country clubs, golf and athletic clubs, airline and hotel clubs, and clubs operated to provide meals under conditions favorable to business discussion. But it does not include civic or public service organizations, professional organizations (such as bar and medical associations), business leagues, trade associations, chambers of commerce, boards of trade, and real estate boards, unless a principal purpose of the organization is to entertain, or provide entertainment facilities for, members or their guests.

There are exceptions to these rules as well as other rules that apply to sky-box rentals and tickets to entertainment events. See Pub. 463.

Standard meal allowance. Instead of the actual cost of your meals while traveling away from home, you can use the standard meal allowance for your daily meals and incidental expenses. Under this method, you deduct a specified amount, depending on where you travel, instead of keeping records of your actual meal expenses. However, you must still keep records to prove the time, place, and business purpose of your travel.

The standard meal allowance is the federal M&IE rate. You can find these rates on the Internet at *www.gsa.gov*. Click on "Per Diem Rates" for links to locations inside and outside the continental United States.

See Pub. 463 for details on how to figure your deduction using the standard meal allowance, including special rules for partial days of travel.

Amount of deduction. Generally, you can deduct only 50% of your business meal and entertainment expenses, including meals incurred while away from home on business. For individuals subject to the Department of Transportation (DOT) hours of service limits, that percentage is increased to 75% for business meals consumed during, or incident to, any period of duty for which those limits are in effect. Individuals subject to the DOT hours of service limits include the following.

- Certain air transportation workers (such as pilots, crew, dispatchers, mechanics, and control tower operators) who are under Federal Aviation Administration regulations.
- Interstate truck operators who are under DOT regulations.
- Certain merchant mariners who are under Coast Guard regulations.

However, you can fully deduct meals, incidentals, and entertainment furnished or reimbursed to an employee if you properly treat the expense as wages subject to withholding. You can also fully deduct meals, incidentals, and entertainment provided to a nonemployee to the extent the expenses are includible in the gross income of that person and reported on Form 1099-MISC. See Pub. 535 for details and other exceptions.

Daycare providers. If you qualify as a family daycare provider, you can use the standard meal and snack rates, instead of actual costs, to compute the deductible cost of meals and snacks provided to eligible children. See Pub. 587 for details, including recordkeeping requirements.

Line 25

Deduct utility expenses only for your trade or business.

Local telephone service. If you used your home phone for business, do not deduct the base rate (including taxes) of the first phone line into your residence. But you can deduct expenses for any additional costs you incurred for business that are more than the cost of the base rate for the first phone line. For example, if you had a second line, you can deduct the business percentage of the charges for that line, including the base rate charges.

Line 26

Enter the total salaries and wages for the tax year. Do not include salaries and wages deducted elsewhere on your return or amounts paid to yourself. Reduce your deduction by the amounts claimed on:

- Form 5884, Work Opportunity Credit, line 2;
- Form 5884-A, Credits for Employers Affected by Hurricane Katrina, Rita, or Wilma, line 6;
- Form 8844, Empowerment Zone and Renewal Community Employment Credit, line 2; and
- Form 8861, Welfare-to-Work Credit, line 2.

CAUTION *If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as wages the amount applicable to depreciation and other expenses claimed elsewhere.*

Line 30

Business use of your home. You may be able to deduct certain expenses for business use of your home, subject to limitations. You must attach Form 8829 if you claim this deduction. For details, see the Instructions for Form 8829 and Pub. 587.

Line 31

If you have a loss, the amount of loss you can deduct this year may be limited. Go to line 32 before entering your loss on line 31. If you answered "No" on Schedule C, line G, also see the Instructions for Form 8582. Enter the net profit or deductible loss here. Combine this amount with any profit or loss from other businesses, and enter the total on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13. Estates and trusts should enter the total on Form 1041, line 3.

If you have a net profit on line 31, this amount is earned income and may qualify you for the earned income credit. See the instructions for Form 1040, lines 66a and 66b, for details.

Statutory employees. Include your net profit or deductible loss from line 31 with other Schedule C amounts on Form 1040, line 12, or on Form 1040NR, line 13. However, do not report this amount on Schedule SE, line 2. If you are required to file Schedule SE because of other self-employment income, see the instructions for Schedule SE.

Line 32

At-risk rules. Generally, if you have a business loss and amounts invested in the business for which you are not at risk, you must complete Form 6198 to figure your allowable loss. The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the business.

Check box 32b if you have amounts invested in this business for which you are not at risk, such as the following.

- Nonrecourse loans used to finance the business, to acquire property used in the business, or to acquire the business that are not secured by your own property (other than property used in the business). However, there is an exception for certain nonrecourse financing borrowed by you in connection with holding real property.
- Cash, property, or borrowed amounts used in the business (or contributed to the business, or used to acquire the business) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casualty insurance and insurance against tort liability).
- Amounts borrowed for use in the business from a person who has an interest in the business, other than as a creditor, or who is related under section 465(b)(3) to a person (other than you) having such an interest.

Figuring your deductible loss. If all amounts are at risk in this business, check box 32a. If you answered "Yes" on line G, enter your loss on line 31. But if you answered "No" on line G, you may need to complete Form 8582 to figure your allowable loss to enter on line 31. See the Instructions for Form 8582 for details.

If you checked box 32b, see Form 6198 to determine the amount of your deductible loss. If you answered "Yes" on line G, enter that amount on line 31. But if you answered "No" on line G, your loss may be further limited. See the Instructions for Form 8582. If your at-risk amount is zero or less, enter -0- on line 31. Be sure to attach Form 6198 to your return. If you checked box 32b and you do not attach Form 6198, the processing of your tax return may be delayed.

Any loss from this business not allowed for 2006 because of the at-risk rules is treated as a deduction allocable to the business in 2007.

For details, see the Instructions for Form 6198 and Pub. 925.

Part III. Cost of Goods Sold

Generally, if you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, you must take inventories into account at the beginning and end of your tax year.

However, if you are a qualifying taxpayer or a qualifying small business taxpayer, you can account for inventoriable items in the same manner as materials and supplies that are not incidental. To change your accounting method, see the instructions for line F on page C-2.

A qualifying taxpayer is a taxpayer (a) whose average annual gross receipts for the 3 prior tax years are $1 million or less, and (b) whose business is not a tax shelter (as defined in section 448(d)(3)).

A qualifying small business taxpayer is a taxpayer (a) whose average annual gross receipts for the 3 prior tax years are more than $1 million but not more than $10 million, (b) whose business is not a tax shelter (as defined in section 448(d)(3)), and (c) whose principal business activity is not an ineligible activity as explained in Rev. Proc. 2002-28. You can find Rev. Proc. 2002-28 on page 815 of Internal Revenue Bulletin 2002-18 at *www.irs.gov/pub/irs-irbs/irb02-18.pdf*.

Under this accounting method, inventory costs for raw materials purchased for use in producing finished goods and merchandise purchased for resale are deductible in the year the finished goods or merchandise are sold (but not before the year you paid for the raw materials or merchandise, if you are also using the cash method). Enter amounts paid for all raw materials and merchandise during 2006 on line 36. The amount you can deduct for 2006 is figured on line 42.

Additional information. For additional guidance on this method of accounting for inventoriable items, see the following.

- If you are a qualifying taxpayer, see Rev. Proc. 2001-10, on page 272 of Internal Revenue Bulletin 2001-2 at *www.irs.gov/pub/irs-irbs/irb01-02.pdf*.
- If you are a qualifying small business taxpayer, see Rev. Proc. 2002-28, on page 815 of Internal Revenue Bulletin 2002-18 at *www.irs.gov/pub/irs-irbs/irb02-18.pdf*.

CAUTION *Certain direct and indirect expenses may have to be capitalized or included in inventory. See the instructions for Part II beginning on page C-4.*

Line 33

Your inventories can be valued at cost; cost or market value, whichever is lower; or any other method approved by the IRS. However, you are required to use cost if you are using the cash method of accounting.

Line 35

If you are changing your method of accounting beginning with 2006, refigure last year's closing inventory using your new method of accounting and enter the result on line 35. If there is a difference between last year's closing inventory and the refigured amount, attach an explanation and take it into account when figuring your section 481(a) adjustment. See the example on page C-2 for details.

Line 41

If you account for inventoriable items in the same manner as materials and supplies that are not incidental, enter on line 41 the portion of your raw materials and merchandise purchased for resale that are included on line 40 and were not sold during the year.

Part IV. Information on Your Vehicle

Line 44b

Generally, commuting is travel between your home and a work location. If you converted your vehicle during the year from personal to business use (or vice versa), enter your commuting miles only for the period you drove your vehicle for business. For information on certain travel that is considered a business expense rather than commuting, see the Instructions for Form 2106.

Part V. Other Expenses

Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C. List the type and amount of each expense separately in the space provided. Enter the total on lines 48 and 27. Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal, living, and family expenses. Do not include charitable contributions. Also, you cannot deduct fines or penalties paid to a government for violating any law. For details on business expenses, see Pub. 535.

Amortization. Include amortization in this part. For amortization that begins in 2006, you must complete and attach Form 4562.

You can amortize:

- The cost of pollution-control facilities.
- Amounts paid for research and experimentation.
- Qualified revitalization expenditures.
- Amounts paid to acquire, protect, expand, register, or defend trademarks or trade names.
- Goodwill and certain other intangibles.
- Certain expenses paid or incurred to create or acquire a musical composition or its copyright.

In general, you cannot amortize real property construction period interest and taxes. Special rules apply for allocating interest to real or personal property produced in your trade or business.

At-risk loss deduction. Any loss from this business that was not allowed as a deduction last year because of the at-risk rules is treated as a deduction allocable to this business in 2006. For the loss to be deductible, the amount that is "at risk" must be increased.

Bad debts. Include debts and partial debts from sales or services that were included in income and are definitely known to be worthless. If you later collect a debt that you deducted as a bad debt, include it as income in the year collected. For details, see Pub. 535.

Business start-up costs. If your business began in 2006, you can elect to deduct up to $5,000 of certain business start-up costs. This limit is reduced (but not below zero) by the amount by which your total start-up costs exceed $50,000. Your remaining start-up costs can be amortized over a 180-month period, beginning with the month the business began.

For details, see Pub. 535. For amortization that begins in 2006, you must complete and attach Form 4562.

Deduction for removing barriers to individuals with disabilities and the elderly. You may be able to deduct up to $15,000 of costs paid or incurred in 2006 to remove architectural or transportation barriers to individuals with disabilities and the elderly. However, you cannot take both the credit (discussed on page C-1) and the deduction on the same expenditures.

Film and television production expenses. You can elect to deduct costs of certain qualified film and television productions. For details, see Pub. 535.

Forestation and reforestation costs. Reforestation costs are generally capital expenditures. However, for each qualified timber property you can elect to expense up

to $10,000 ($5,000 if married filing separately) of qualifying reforestation costs paid or incurred in 2006. This limit is increased for small timber producers with qualified timber property located in the GO Zone, the Rita GO Zone, or the Wilma GO Zone. For GO Zone information, see Pub. 4492.

You can elect to amortize the remaining costs over 84 months. For amortization that begins in 2006, you must complete and attach Form 4562.

The amortization election does not apply to trusts and the expense election does not apply to estates and trusts. For details on reforestation expenses, see Pub. 535.

GO Zone clean-up costs. You can deduct 50% of qualified GO Zone clean-up costs paid or incurred in 2006 for the removal of debris from, or the demolition of structures on, real property located in the GO Zone. The property must be held for use in a trade or business, for the production of income, or as inventory. The remaining 50% of these costs must be capitalized. See Pub. 4492 for the areas included in the GO Zone.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is approved under OMB control number 1545-1974 and is shown below.

Recordkeeping	1 hr. 18 min.
Learning about the law or the form	24 min.
Preparing the form	1 hr.
Copying, assembling, and sending the form to the IRS	20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Principal Business or Professional Activity Codes

These codes for the Principal Business or Professional Activity classify sole proprietorships by the type of activity they are engaged in to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the category that best describes your primary business activity (for example, Real Estate). Then select the activity that best identifies the principal source of your sales or receipts (for example, real estate agents). Now find the six-digit code assigned to this activity (for example, 531210, the code for offices of real estate agents and brokers) and enter it on Schedule C or C-EZ, line B.

Note. If your principal source of income is from farming activities, you should file Schedule F.

Accommodation, Food Services, & Drinking Places

Accommodation

721310 Rooming & boarding houses
721210 RV (recreational vehicle) parks & recreational camps
721100 Traveler accommodation (including hotels, motels, & bed & breakfast inns)

Food Services & Drinking Places

722410 Drinking places (alcoholic beverages)
722110 Full-service restaurants
722210 Limited-service eating places
722300 Special food services (including food service contractors & caterers)

Administrative & Support and Waste Management & Remediation Services

Administrative & Support Services

561130 Business service centers (including private mail centers & copy shops)
561740 Carpet & upholstery cleaning services
561440 Collection agencies
561450 Credit bureaus
561410 Document preparation services
561310 Employment services
561710 Exterminating & pest control services
561210 Facilities support management services
561611 Investigation & security services
561720 Janitorial services
561730 Landscaping services
561110 Office administrative services
561420 Telephone call centers (including telephone answering services & telemarketing bureaus)
561900 Travel arrangement & reservation services
561900 Other business support services (including repossession services, court reporting, & stenotype services)
561700 Other services to buildings & dwellings
561900 Other support services (including packaging & labeling services, & convention & trade show organizers)

Waste Management & Remediation Services

562000 Waste management & remediation services

Agriculture, Forestry, Hunting, & Fishing

112000 Animal production (including breeding of cats and dogs)
114110 Fishing
113000 Forestry & logging (including forest nurseries & timber tracts)
114210 Hunting & trapping

Support Activities for Agriculture & Forestry

115210 Support activities for animal production (including farriers)
115110 Support activities for crop production (including cotton ginning, soil preparation, planting, & cultivating)
115310 Support activities for forestry

Arts, Entertainment, & Recreation

Amusement, Gambling, & Recreation Industries

713910 Amusement parks & arcades
713200 Gambling industries
713900 Other amusement & recreation services (including golf courses, skiing facilities, marinas, fitness centers, bowling centers, skating rinks, miniature golf courses)

Museums, Historical Sites, & Similar Institutions

712100 Museums, historical sites, & similar institutions

Performing Arts, Spectator Sports, & Related Industries

711410 Agents & managers for artists, athletes, entertainers, & other public figures
711510 Independent artists, writers, & performers
711100 Performing arts companies
711300 Promoters of performing arts, sports, & similar events
711210 Spectator sports (including professional sports clubs & racetrack operations)

Construction of Buildings

236200 Nonresidential building construction
236100 Residential building construction

Heavy & Civil Engineering Construction

237310 Highway, street, & bridge construction
237210 Land subdivision
237100 Utility system construction
237990 Other heavy & civil engineering construction

Specialty Trade Contractors

238310 Drywall & insulation contractors
238210 Electrical contractors
238350 Finish carpentry contractors
238330 Flooring contractors
238130 Framing carpentry contractors
238150 Glass & glazing contractors
238140 Masonry contractors
238320 Painting & wall covering contractors
238220 Plumbing, heating & air-conditioning contractors
238110 Poured concrete foundation & structure contractors
238160 Roofing contractors
238170 Siding contractors
238910 Site preparation contractors
238120 Structural steel & precast concrete construction contractors
238340 Tile & terrazzo contractors
238290 Other building equipment contractors
238390 Other building finishing contractors
238190 Other foundation, structure, & building exterior contractors
238990 All other specialty trade contractors

Educational Services

611000 Educational services (including schools, colleges, & universities)

Finance & Insurance

Credit Intermediation & Related Activities

522100 Depository credit intermediation (including commercial banking, savings institutions, & credit unions)
522200 Nondepository credit intermediation (including sales financing & consumer lending)
522300 Activities related to credit intermediation (including loan brokers)

Insurance Agents, Brokers, & Related Activities

524210 Insurance agencies & brokerages
524290 Other insurance related activities

Securities, Commodity Contracts, & Other Financial Investments & Related Activities

523140 Commodity contracts brokers
523130 Commodity contracts dealers
523110 Investment bankers & securities dealers
523210 Securities & commodity exchanges
523120 Securities brokers
529000 Other financial investment activities (including investment advice)

Health Care & Social Assistance

Ambulatory Health Care Services

621610 Home health care services
621510 Medical & diagnostic laboratories
621310 Offices of chiropractors
621210 Offices of dentists
621330 Offices of mental health practitioners (except physicians)
621320 Offices of optometrists
621340 Offices of physical, occupational & speech therapists, & audiologists
621111 Offices of physicians (except mental health specialists)
621112 Offices of physicians, mental health specialists
621391 Offices of podiatrists
621399 Offices of all other miscellaneous health practitioners
621400 Outpatient care centers
621900 Other ambulatory health care services (including ambulance services, blood, & organ banks)

Hospitals

622000 Hospitals

Nursing & Residential Care Facilities

623000 Nursing & residential care facilities

Social Assistance

624410 Child day care services
624200 Community food & housing & emergency & other relief services
624100 Individual & family services
624310 Vocational rehabilitation services

Information

511000 Publishing industries (except Internet)

Broadcasting (except Internet) & Telecommunications

515000 Broadcasting (except Internet)
517000 Telecommunications

Internet Publishing & Broadcasting

516110 Internet publishing & broadcasting

Internet Service Providers, Web Search Portals, & Data Processing Services

518210 Data processing, hosting, & related services
518111 Internet service providers
518112 Web search portals
519100 Other information services (including news syndicates and libraries)

Motion Picture & Sound Recording

512100 Motion picture & video industries (except video rental)
512200 Sound recording industries

Manufacturing

315000 Apparel mfg.
312000 Beverage & tobacco product mfg.
334000 Computer & electronic product mfg.
335000 Electrical equipment, appliance, & component mfg.
332000 Fabricated metal product mfg.
337000 Furniture & related product mfg.
333000 Machinery mfg.
339100 Medical equipment & supplies mfg.
322000 Paper mfg.
324100 Petroleum & coal products mfg.
326000 Plastics & rubber products mfg.
331000 Primary metal mfg.
323100 Printing & related support activities
313000 Textile mills
314000 Textile product mills
336000 Transportation equipment mfg.
321000 Wood product mfg.
339900 Other miscellaneous mfg.

Chemical Manufacturing

325100 Basic chemical mfg.
325500 Paint, coating, & adhesive mfg.
325300 Pesticide, fertilizer, & other agricultural chemical mfg.
325410 Pharmaceutical & medicine mfg.
325200 Resin, synthetic rubber, & artificial & synthetic fibers & filaments mfg.
325600 Soap, cleaning compound, & toilet preparation mfg.
325900 Other chemical product & preparation mfg.

Food Manufacturing

311110 Animal food mfg.
311800 Bakeries & tortilla mfg.
311500 Dairy product mfg.
311400 Fruit & vegetable preserving & specialty food mfg.
311200 Grain & oilseed milling
311610 Animal slaughtering & processing
311710 Seafood product preparation & packaging
311300 Sugar & confectionery product mfg.
311900 Other food mfg. (including coffee, tea, flavorings, & seasonings)

Leather & Allied Product Manufacturing

316210 Footwear mfg. (including leather, rubber, & plastics)
316110 Leather & hide tanning & finishing
316990 Other leather & allied product mfg.

Nonmetallic Mineral Product Manufacturing

327300 Cement & concrete product mfg.
327100 Clay product & refractory mfg.
327210 Glass & glass product mfg.
327400 Lime & gypsum product mfg.
327900 Other nonmetallic mineral product mfg.

Mining

212110 Coal mining
212200 Metal ore mining
212300 Nonmetallic mineral mining & quarrying
211110 Oil & gas extraction
213110 Support activities for mining

Other Services

Personal & Laundry Services

812111 Barber shops
812112 Beauty salons
812220 Cemeteries & crematories
812310 Coin-operated laundries & dry-cleaners
812320 Drycleaning & laundry services (except coin-operated) (including laundry & drycleaning drop-off & pick-up sites)
812210 Funeral homes & funeral services
812330 Linen & uniform supply
812113 Nail salons
812930 Parking lots & garages
812910 Pet care (except veterinary) services
812920 Photofinishing
812990 Other personal care services (including diet & weight reducing centers)
812990 All other personal services

Repair & Maintenance

811120 Automotive body, paint, interior, & glass repair
811110 Automotive mechanical & electrical repair & maintenance
811190 Other automotive repair & maintenance (including oil change & lubrication shops & car washes)
811310 Commercial & industrial machinery & equipment (except automotive & electronic) repair & maintenance
811210 Electronic & precision equipment repair & maintenance
811430 Footwear & leather goods repair
811411 Home & garden equipment & appliance repair & maintenance
811420 Reupholstery & furniture repair
811490 Other personal & household goods repair & maintenance

Professional, Scientific, & Technical Services

541100 Legal services
541211 Offices of certified public accountants
541214 Payroll services
541213 Tax preparation services
541219 Other accounting services

Architectural, Engineering, & Related Services

541310 Architectural services
541350 Building inspection services
541340 Drafting services
541330 Engineering services
541360 Geophysical surveying & mapping services
541320 Landscape architecture services
541370 Surveying & mapping (except geophysical) services
541380 Testing laboratories

Computer Systems Design & Related Services

541510 Computer systems design & related services

Specialized Design Services

541400 Specialized design services (including interior, industrial, graphic, & fashion design)

Other Professional, Scientific, & Technical Services

541800 Advertising & related services
541600 Management, scientific, & technical consulting services
541910 Market research & public opinion polling
541920 Photographic services
541700 Scientific research & development services
541940 Translation & interpretation services
541940 Veterinary services
541990 All other professional, scientific, & technical services

Real Estate & Rental & Leasing

Real Estate

531100 Lessors of real estate (including mini-warehouses & self-storage units)
531210 Offices of real estate agents & brokers
531320 Offices of real estate appraisers
531310 Real estate property managers
531390 Other activities related to real estate

Rental & Leasing Services

532100 Automotive equipment rental & leasing
532400 Commercial & industrial machinery & equipment rental & leasing
532210 Consumer electronics & appliances rental
532220 Formal wear & costume rental
532310 General rental center
532230 Video tape & disc rental
532290 Other consumer goods rental

Religious, Grantmaking, Civic, Professional, & Similar Organizations

813000 Religious, grantmaking, civic, professional, & similar organizations

Retail Trade

Building Material & Garden Equipment & Supplies Dealers

444190 Hardware store
444110 Home centers
444200 Lawn & garden equipment & supplies stores
444120 Paint & wallpaper stores
444190 Other building materials dealers

Clothing & Accessories Stores

448130 Children's & infants' clothing stores
448150 Clothing accessories stores
448140 Family clothing stores
448310 Jewelry stores
448320 Luggage & leather goods stores
448110 Men's clothing stores
448210 Shoe stores
448120 Women's clothing stores
448190 Other clothing stores

Electronic & Appliance Stores

443130 Camera & photographic supplies stores
443120 Computer & software stores
443111 Household appliance stores
443112 Radio, television, & other electronics stores

Principal Business or Professional Activity Codes *(continued)*

Food & Beverage Stores
445310 Beer, wine, & liquor stores
445220 Fish & seafood markets
445230 Fruit & vegetable markets
445110 Grocery stores (including supermarkets & convenience stores without gas)
445210 Meat markets
445290 Other specialty food stores

Furniture & Home Furnishing Stores
442110 Furniture stores
442200 Home furnishings stores

Gasoline Stations
447100 Gasoline stations (including convenience stores with gas)

General Merchandise Stores
452000 General merchandise stores

Health & Personal Care Stores
446120 Cosmetics, beauty supplies, & perfume stores
446130 Optical goods stores
446110 Pharmacies & drug stores
446190 Other health & personal care stores

Motor Vehicle & Parts Dealers
441300 Automotive parts, accessories, & tire stores
441222 Boat dealers
441221 Motorcycle dealers
441110 New car dealers
441210 Recreational vehicle dealers (including motor home & travel trailer dealers)
441120 Used car dealers
441229 All other motor vehicle dealers

Sporting Goods, Hobby, Book, & Music Stores
451211 Book stores
451120 Hobby, toy, & game stores
451140 Musical instrument & supplies stores
451212 News dealers & newsstands
451220 Prerecorded tape, compact disc, & record stores
451130 Sewing, needlework, & piece goods stores
451110 Sporting goods stores

Miscellaneous Store Retailers
453920 Art dealers
453110 Florists
453220 Gift, novelty, & souvenir stores
453930 Manufactured (mobile) home dealers
453210 Office supplies & stationery stores
453910 Pet & pet supplies stores
453310 Used merchandise stores
453990 All other miscellaneous store retailers (including tobacco, candle, & trophy shops)

Nonstore Retailers
454112 Electronic auctions
454111 Electronic shopping
454310 Fuel dealers
454113 Mail-order houses
454210 Vending machine operators
454390 Other direct selling establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)

Transportation & Warehousing
481000 Air transportation
485510 Charter bus industry
484110 General freight trucking, local
484120 General freight trucking, long distance
485210 Interurban & rural bus transportation
486000 Pipeline transportation
482110 Rail transportation
487000 Scenic & sightseeing transportation
485410 School & employee bus transportation
484200 Specialized freight trucking (including household moving vans)
485300 Taxi & limousine service
485110 Urban transit systems
483000 Water transportation
485990 Other transit & ground passenger transportation
488000 Support activities for transportation (including motor vehicle towing)

Couriers & Messengers
492000 Couriers & messengers

Warehousing & Storage Facilities
493100 Warehousing & storage (except leases of mini-warehouses & self-storage units)

Utilities
221000 Utilities

Wholesale Trade

Merchant Wholesalers, Durable Goods
423600 Electrical & electronic goods
423200 Furniture & home furnishing
423700 Hardware, & plumbing & heating equipment & supplies
423940 Jewelry, watch, precious stone, & precious metals
423300 Lumber & other construction materials
423800 Machinery, equipment, & supplies
423500 Metal & mineral (except petroleum)
423100 Motor vehicle & motor vehicle parts & supplies
423400 Professional & commercial equipment & supplies
423930 Recyclable materials
423910 Sporting & recreational goods & supplies
423920 Toy & hobby goods & supplies
423990 Other miscellaneous durable goods

Merchant Wholesalers, Nondurable Goods
424300 Apparel, piece goods, & notions
424810 Beer, wine, & distilled alcoholic beverage
424920 Books, periodicals, & newspapers
424600 Chemical & allied products
424210 Drugs & druggists' sundries
424500 Farm product raw materials
424910 Farm supplies
424930 Flower, nursery stock, & florists' supplies
424400 Grocery & related products
424950 Paint, varnish, & supplies
424100 Paper & paper products
424700 Petroleum & petroleum products
424940 Tobacco & tobacco products
424990 Other miscellaneous nondurable goods

Wholesale Electronic Markets and Agents & Brokers
425110 Business to business electronic markets
425120 Wholesale trade agents & brokers

999999 Unclassified establishments (unable to classify)

Department of the Treasury
Internal Revenue Service

2006 Instructions for Schedule D

Capital Gains and Losses

Use Schedule D (Form 1040) to report the following.

- The sale or exchange of a capital asset (defined on this page) not reported on another form or schedule.
- Gains from involuntary conversions (other than from casualty or theft) of capital assets not held for business or profit.
- Capital gain distributions not reported directly on Form 1040, line 13, or Form 1040NR, line 14
- Nonbusiness bad debts.

Additional information. See Pub. 544 and Pub. 550 for more details. For a comprehensive filled-in example of Schedule D, see Pub. 550.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Other Forms You May Have To File

Use Form 4797 to report the following.

1. The sale or exchange of:

a. Property used in a trade or business;

b. Depreciable and amortizable property;

c. Oil, gas, geothermal, or other mineral property; and

d. Section 126 property.

2. The involuntary conversion (other than from casualty or theft) of property used in a trade or business and capital assets held for business or profit.

3. The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the ordinary course of your trade or business.

4. Ordinary loss on the sale, exchange, or worthlessness of small business investment company (section 1242) stock.

5. Ordinary loss on the sale, exchange, or worthlessness of small business (section 1244) stock.

6. Ordinary gain or loss on securities held in connection with your trading business, if you previously made a mark-to-market election. See *Traders in Securities* on page D-3.

Use Form 4684 to report involuntary conversions of property due to casualty or theft.

Use Form 6781 to report gains and losses from section 1256 contracts and straddles.

Use Form 8824 to report like-kind exchanges. A like-kind exchange occurs when you exchange business or investment property for property of a like kind.

Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, stocks, and bonds are capital assets. A capital asset is any property held by you except the following.

- Stock in trade or other property included in inventory or held mainly for sale to customers.
- Accounts or notes receivable for services performed in the ordinary course of your trade or business or as an employee, or from the sale of stock in trade or other property held mainly for sale to customers.
- Depreciable property used in your trade or business, even if it is fully depreciated.
- Real estate used in your trade or business.
- Copyrights, literary, musical, or artistic compositions, letters or memoranda, or similar property: (a) created by your personal efforts; (b) prepared or produced for you (in the case of letters, memoranda, or similar property); or (c) that you received from someone who created them or for whom they were created, as mentioned in (a) or (b), in a way (such as by gift) that entitled you to the basis of the previous owner.
- U.S. Government publications, including the Congressional Record, that you received from the government, other than by purchase at the normal sales price, or that you got from someone who had received it in a similar way, if your basis is determined by reference to the previous owner's basis.
- Certain commodities derivative financial instruments held by a dealer. See section 1221(a)(6).
- Certain hedging transactions entered into in the normal course of your trade or business. See section 1221(a)(7).
- Supplies regularly used in your trade or business.

Basis and Recordkeeping

Basis is the amount of your investment in property for tax purposes. You need to know your basis to figure any gain or loss on the sale or other disposition of the property. You must keep accurate records that show the basis and adjusted basis of your property. Your records should show the purchase price, including commissions; increases to basis, such as the cost of improvements; and decreases to basis, such as depreciation, nondividend distributions on stock, and stock splits.

For more information on basis, see page D-7 and these publications.

- Pub. 551, Basis of Assets.
- Pub. 550, Investment Income and Expenses (Including Capital Gains and Losses)
- Pub. 564, Mutual Fund Distributions

If you lost or did not keep records to determine your basis in securities, contact your broker for help.

TIP *The IRS partners with companies that offer Schedule D software that can import trades from many brokerage firms and accounting software to help you keep track of your adjusted basis in securities. To find out more, go to* www.irs.gov/efile/lists/0,,id=101223,00.html

Short Term or Long Term

Separate your capital gains and losses according to how long you held or owned the property. The holding period for short-term capital gains and losses is 1 year or less. The holding period for long-term capital gains and losses is more than 1 year. To figure the holding period, begin counting

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on the day after you received the property and include the day you disposed of it.

If you disposed of property that you acquired by inheritance, report the disposition as a long-term gain or loss, regardless of how long you held the property.

A nonbusiness bad debt must be treated as a short-term capital loss. See Pub. 550 for what qualifies as a nonbusiness bad debt and how to enter it on Schedule D.

Capital Gain Distributions

These distributions are paid by a mutual fund (or other regulated investment company) or real estate investment trust from its net realized long-term capital gains. Distributions of net realized short-term capital gains are not treated as capital gains. Instead, they are included on Form 1099-DIV as ordinary dividends.

Enter on line 13 the total capital gain distributions paid to you during the year, regardless of how long you held your investment. This amount is shown in box 2a of Form 1099-DIV.

If there is an amount in box 2b, include that amount on line 11 of the Unrecaptured Section 1250 Gain Worksheet on page D-9 if you complete line 19 of Schedule D.

If there is an amount in box 2c, see *Exclusion of Gain on Qualified Small Business (QSB) Stock* on page D-4.

If there is an amount in box 2d, include that amount on line 4 of the 28% Rate Gain Worksheet on page D-8 if you complete line 18 of Schedule D.

If you received capital gain distributions as a nominee (that is, they were paid to you but actually belong to someone else), report on line 13 only the amount that belongs to you. Attach a statement showing the full amount you received and the amount you received as a nominee. See the Instructions for Schedule B for filing requirements for Forms 1099-DIV and 1096.

Sale of Your Home

If you sold or exchanged your main home, do not report it on your tax return unless your gain is more than your exclusion amount. Your exclusion amount is zero if:

- You acquired your home in a like-kind exchange in which all or part of the gain was not recognized, and
- You sold or exchanged the home during the 5-year period beginning on the date you acquired it.

Generally, if you meet the two following tests, you can exclude up to $250,000 of gain. If both you and your spouse meet these tests and you file a joint return, you can exclude up to $500,000 of gain (but only one spouse needs to meet the ownership requirement in *Test 1*).

Test 1. You owned and used the home as your main home for 2 years or more during the 5-year period ending on the date you sold or exchanged your home.

Test 2. You have not sold or exchanged another main home during the 2-year period ending on the date of the sale or exchange of your home.

Even if you do not meet one or both of the above two tests, you still can claim an exclusion if you sold or exchanged the home because of a change in place of employment, health, or certain unforeseen circumstances. In this case, the maximum amount of gain you can exclude is reduced.

You can choose to have the 5-year test period for ownership and use in *Test 1* above suspended during any period you or your spouse serve on qualified official extended duty as a member of the uniformed services or Foreign Service of the United States. This means you may be able to meet *Test 1* even if, because of your service, you did not actually use the home as your main home for at least the required 2 years during the 5-year period ending on the date of sale.

See Pub. 523 for details, including how to report any taxable gain if:

- You (or your spouse if married) used any part of the home for business or rental purposes after May 6, 1997, or
- Your gain is more than your exclusion amount.

Partnership Interests

A sale or other disposition of an interest in a partnership may result in ordinary income, collectibles gain (28% rate gain), or unrecaptured section 1250 gain. For details on 28% rate gain, see the instructions for line 18 beginning on page D-7. For details on unrecaptured section 1250 gain, see the instructions for line 19 beginning on page D-8.

Capital Assets Held for Personal Use

Generally, gain from the sale or exchange of a capital asset held for personal use is a capital gain. Report it on Schedule D, Part I or Part II. However, if you converted depreciable property to personal use, all or part of the gain on the sale or exchange of that property may have to be recaptured as ordinary income. Use Part III of Form 4797 to figure the amount of ordinary income recapture. The recapture amount is included on line 31 (and line 13) of Form 4797. Do not enter any gain for this property on line 32 of Form 4797. If you are not completing Part III for any other properties, enter "N/A" on line 32. If the total gain is more than the recapture amount, enter "From Form 4797" in column (a) of line 1 or line 8 of Schedule D, skip columns (b) through (e), and in column (f) enter the excess of the total gain over the recapture amount.

Loss from the sale or exchange of a capital asset held for personal use is not deductible. But if you had a loss from the sale or exchange of real estate held for personal use for which you received a Form 1099-S, you must report the transaction on Schedule D even though the loss is not deductible. For example, you have a loss on the sale of a vacation home that is not your main home and you received a Form 1099-S for the transaction. Report the transaction on line 1 or 8, depending on how long you owned the home. Complete columns (a) through (e). Because the loss is not deductible, enter -0- in column (f).

Capital Losses

You may deduct capital losses up to the amount of your capital gains plus $3,000 ($1,500 if married filing separately). You may be able to use capital losses that exceed this limit in future years. Be sure to report all of your capital gains and losses (except nondeductible losses) even if you cannot use all of your losses in 2006. See Pub. 550 to figure the amount of unused capital losses you can carry forward to 2007.

Nondeductible Losses

Do not deduct a loss from the direct or indirect sale or exchange of property between any of the following.

- Members of a family.
- A corporation and an individual owning more than 50% of the corporation's stock (unless the loss is from a distribution in complete liquidation of a corporation).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a beneficiary of another trust created by the same grantor.
- An executor of an estate and a beneficiary of that estate, unless the sale or exchange was to satisfy a pecuniary bequest (that is, a bequest of a sum of money).
- An individual and a tax-exempt organization controlled by the individual or the individual's family.

See Pub. 544 for more details on sales and exchanges between related parties.

If you disposed of (a) an asset used in an activity to which the at-risk rules apply or (b) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the Instructions for Form 6198.

If the loss is allowable under the at-risk rules, it then may be subject to the passive activity rules. See Form 8582 and its instructions for details on reporting capital gains and losses from a passive activity.

Items for Special Treatment

- Transactions by a securities dealer. See section 1236.
- Bonds and other debt instruments. See Pub. 550.

- Certain real estate subdivided for sale that may be considered a capital asset. See section 1237.
- Gain on the sale of depreciable property to a more than 50% owned entity or to a trust of which you are a beneficiary. See Pub. 544.
- Gain on the disposition of stock in an interest charge domestic international sales corporation. See section 995(c).
- Gain on the sale or exchange of stock in certain foreign corporations. See section 1248.
- Transfer of property to a partnership that would be treated as an investment company if it were incorporated. See Pub. 541.
- Sales of stock received under a qualified public utility dividend reinvestment plan. See Pub. 550.
- Transfer of appreciated property to a political organization. See section 84.
- In general, no gain or loss is recognized on the transfer of property from an individual to a spouse or a former spouse if the transfer is incident to a divorce. See Pub. 504.
- Amounts received on the retirement of a debt instrument generally are treated as received in exchange for the debt instrument. See Pub. 550.
- Any loss on the disposition of converted wetland or highly erodible cropland that is first used for farming after March 1, 1986, is reported as a long-term capital loss on Schedule D, but any gain is reported as ordinary income on Form 4797.
- If qualified dividends that you reported on Form 1040, line 9b, or Form 1040NR, line 10b, include extraordinary dividends, any loss on the sale or exchange of the stock is a long-term capital loss to the extent of the extraordinary dividends. An extraordinary dividend is a dividend that equals or exceeds 10% (5% in the case of preferred stock) of your basis in the stock.
- Amounts received by shareholders in corporate liquidations. See Pub. 550.
- Cash received in lieu of fractional shares of stock as a result of a stock split or stock dividend. See Pub. 550.
- Mutual fund load charges, which may not be taken into account in determining gain or loss on certain dispositions of stock in mutual funds if reinvestment rights were exercised. See Pub. 564.
- The sale or exchange of S corporation stock or an interest in a trust held for more than 1 year, which may result in collectibles gain (28% rate gain). See the instructions for line 18 beginning on page D-7.
- Gain or loss on the disposition of securities futures contracts. See Pub. 550.
- Gain on the constructive sale of certain appreciated financial positions. See Pub. 550.
- Certain constructive ownership transactions. Gain in excess of the gain you would have recognized if you had held a financial asset directly during the term of a derivative contract must be treated as ordinary income. See section 1260. If any portion of the constructive ownership transaction was open in any prior year, you may have to pay interest. See section 1260(b) for details, including how to figure the interest. Include the interest as an additional tax on Form 1040, line 63 (or Form 1040NR, line 58). Write "Section 1260(b) interest" and the amount of the interest to the left of line 63 (or Form 1040NR, line 58). This interest is not deductible.
- The sale of publicly traded securities, if you elect to postpone gain by purchasing common stock or a partnership interest in a specialized small business investment company during the 60-day period that began on the date of the sale. See Pub. 550.
- The sale of qualified securities, held for at least 3 years, to an employee stock ownership plan or eligible worker-owned cooperative, if you elect to postpone gain by purchasing qualified replacement property. See Pub. 550.
- Gain or loss from the disposition of stock or other securities in an investment club. See Pub. 550.

Wash Sales

A wash sale occurs when you sell or otherwise dispose of stock or securities (including a contract or option to acquire or sell stock or securities) at a loss and, within 30 days before or after the sale or disposition, you:

- Buy substantially identical stock or securities,
- Acquire substantially identical stock or securities in a fully taxable trade, or
- Enter into a contract or option to acquire substantially identical stock or securities.

You cannot deduct losses from wash sales unless the loss was incurred in the ordinary course of your business as a dealer in stock or securities. The basis of the substantially identical property (or contract or option to acquire such property) is its cost increased by the disallowed loss. For more details on wash sales, see Pub. 550.

Report a wash sale transaction on line 1 or 8. Enter the full amount of the (loss) in column (f). Directly below the line on which you reported the loss, enter "Wash Sale" in column (a), and enter as a positive amount in column (f) the amount of the loss not allowed.

Traders in Securities

You are a trader in securities if you are engaged in the business of buying and selling securities for your own account. To be engaged in business as a trader in securities, all of the following statements must be true.

- You must seek to profit from daily market movements in the prices of securities and not from dividends, interest, or capital appreciation.
- Your activity must be substantial.
- You must carry on the activity with continuity and regularity.

The following facts and circumstances should be considered in determining if your activity is a business.

- Typical holding periods for securities bought and sold.
- The frequency and dollar amount of your trades during the year.
- The extent to which you pursue the activity to produce income for a livelihood.
- The amount of time you devote to the activity.

You are considered an investor, and not a trader, if your activity does not meet the above definition of a business. It does not matter whether you call yourself a trader or a "day trader."

Like an investor, a trader must report each sale of securities (taking into account commissions and any other costs of acquiring or disposing of the securities) on Schedule D or D-1 or on an attached statement containing all the same information for each sale in a similar format. However, if a trader previously made the mark-to-market election (see below), each transaction is reported in Part II of Form 4797 instead of Schedules D and D-1. Regardless of whether a trader reports his or her gains and losses on Schedules D and D-1 or Form 4797, the gain or loss from the disposition of securities is not taken into account when figuring net earnings from self-employment on Schedule SE. See the Instructions for Schedule SE for an exception that applies to section 1256 contracts.

The limitation on investment interest expense that applies to investors does not apply to interest paid or incurred in a trading business. A trader reports interest expense and other expenses (excluding commissions and other costs of acquiring or disposing of securities) from a trading business on Schedule C (instead of Schedule A).

A trader also may hold securities for investment. The rules for investors generally will apply to those securities. Allocate interest and other expenses between your trading business and your investment securities.

Mark-To-Market Election for Traders

A trader may make an election under section 475(f) to report all gains and losses from securities held in connection with a trading business as ordinary income (or loss), including those from securities held at the end of the year. Securities held at the end of the year are "marked to market" by treating them as if they were sold (and reac-

quired) for fair market value on the last business day of the year. Generally, the election must be made by the due date (not including extensions) of the tax return for the year prior to the year for which the election becomes effective. To be effective for 2006, the election must have been made by April 17, 2006 (April 18, 2006 if you lived in Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont, or the District of Columbia).

Starting with the year the election becomes effective, a trader reports all gains and losses from securities held in connection with the trading business, including securities held at the end of the year, in Part II of Form 4797. If you previously made the election, see the Instructions for Form 4797. For details on making the mark-to-market election for 2007, see Pub. 550 or Rev. Proc. 99-17, 1999-1 C.B. 503. You can find Rev. Proc. 99-17 on page 52 of Internal Revenue Bulletin 1999-7 at *www.irs.gov/pub/irs-irbs/irb99-07.pdf*.

If you hold securities for investment, you must identify them as such in your records on the day you acquired them (for example, by holding the securities in a separate brokerage account). Securities held for investment are not marked-to-market.

Short Sales

A short sale is a contract to sell property you borrowed for delivery to a buyer. At a later date, you either buy substantially identical property and deliver it to the lender or deliver property that you held but did not want to transfer at the time of the sale. Usually, your holding period is the amount of time you actually held the property eventually delivered to the lender to close the short sale. However, your gain when closing a short sale is short term if you (a) held substantially identical property for 1 year or less on the date of the short sale or (b) acquired property substantially identical to the property sold short after the short sale but on or before the date you close the short sale. If you held substantially identical property for more than 1 year on the date of a short sale, any loss realized on the short sale is a long-term capital loss, even if the property used to close the short sale was held 1 year or less.

Gain or Loss From Options

Report on Schedule D gain or loss from the closing or expiration of an option that is not a section 1256 contract but is a capital asset in your hands. If an option you purchased expired, enter the expiration date in column (c) and enter "EXPIRED" in column (d). If an option that was granted (written) expired, enter the expiration date in column (b) and enter "EXPIRED" in column (e). Fill in the other columns as appropriate. See Pub. 550 for details.

Undistributed Capital Gains

Include on line 11 the amount from box 1a of Form 2439. This represents your share of the undistributed long-term capital gains of the regulated investment company (including a mutual fund) or real estate investment trust.

If there is an amount in box 1b, include that amount on line 11 of the Unrecaptured Section 1250 Gain Worksheet on page D-9 if you complete line 19 of Schedule D.

If there is an amount in box 1c, see *Exclusion of Gain on Qualified Small Business (QSB) Stock* on this page.

If there is an amount in box 1d, include that amount on line 4 of the 28% Rate Gain Worksheet on page D-8 if you complete line 18 of Schedule D.

Enter on Form 1040, line 70, or Form 1040NR, line 64, the tax paid as shown in box 2 of Form 2439. Also check the box for Form 2439. Add to the basis of your stock the excess of the amount included in income over the amount of the credit for the tax paid. See Pub. 550 for details.

Installment Sales

If you sold property (other than publicly traded stocks or securities) at a gain and you will receive a payment in a tax year after the year of sale, you generally must report the sale on the installment method unless you elect not to. Use Form 6252 to report the sale on the installment method. Also use Form 6252 to report any payment received in 2006 from a sale made in an earlier year that you reported on the installment method.

To elect out of the installment method, report the full amount of the gain on Schedule D on a timely filed return (including extensions) for the year of the sale. If your original return was filed on time, you may make the election on an amended return filed no later than 6 months after the due date of your return (excluding extensions). Write "Filed pursuant to section 301.9100-2" at the top of the amended return.

Demutualization of Life Insurance Companies

Demutualization of a life insurance company occurs when a mutual life insurance company changes to a stock company. If you were a policyholder or annuitant of the mutual company, you may have received either stock in the stock company or cash in exchange for your equity interest in the mutual company. The basis of your equity interest in the mutual company is considered to be zero.

If the demutualization transaction qualifies as a tax-free reorganization, no gain is recognized on the exchange of your equity interest in the mutual company for stock. The company can advise you if the transaction is a tax-free reorganization. Because the basis of your equity interest in the mutual company is considered to be zero, your basis in the stock received is zero. Your holding period for the new stock includes the period you held an equity interest in the mutual company. If you received cash in exchange for your equity interest, you must recognize a capital gain in an amount equal to the cash received. If you held the equity interest for more than 1 year, report the gain as a long-term capital gain on line 8. If you held the equity interest for 1 year or less, report the gain as a short-term capital gain on line 1.

If the demutualization transaction does not qualify as a tax-free reorganization, you must recognize a capital gain in an amount equal to the cash and fair market value of the stock received. If you held the equity interest for more than 1 year, report the gain as a long-term capital gain on line 8. If you held the equity interest for 1 year or less, report the gain as a short-term capital gain on line 1. Your holding period for the new stock begins on the day after you received the stock.

Exclusion of Gain on Qualified Small Business (QSB) Stock

Section 1202 allows for an exclusion of up to 50% of the eligible gain on the sale or exchange of QSB stock. The section 1202 exclusion applies only to QSB stock held for more than 5 years. The exclusion can be up to 60% for certain empowerment zone business stock. See *Empowerment Zone Business Stock* on page D-5.

To be QSB stock, the stock must meet all of the following tests.

1. It must be stock in a C corporation (that is, not S corporation stock).

2. It must have been originally issued after August 10, 1993.

3. As of the date the stock was issued, the corporation was a domestic C corporation with total gross assets of $50 million or less (a) at all times after August 9, 1993, and before the stock was issued and (b) immediately after the stock was issued. Gross assets include those of any predecessor of the corporation. All corporations that are members of the same parent-subsidiary controlled group are treated as one corporation.

4. You must have acquired the stock at its original issue (either directly or through an underwriter), either in exchange for money or other property or as pay for services (other than as an underwriter) to the corporation. In certain cases, you may meet the test if you acquired the stock from another person who met the test (such as by gift or inheritance) or through a conversion or exchange of QSB stock you held.

5. During substantially all the time you held the stock:

a. The corporation was a C corporation,

b. At least 80% of the value of the corporation's assets were used in the active conduct of one or more qualified businesses (defined below), and

c. The corporation was not a foreign corporation, DISC, former DISC, regulated investment company, real estate investment trust, REMIC, FASIT, cooperative, or a corporation that has made (or that has a subsidiary that has made) a section 936 election.



SSBIC. A specialized small business investment company (SSBIC) is treated as having met test 5b above.

Qualified Business

A qualified business is any business that is not one of the following.

- A business involving services performed in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, or brokerage services.
- A business whose principal asset is the reputation or skill of one or more employees.
- A banking, insurance, financing, leasing, investing, or similar business.
- A farming business (including the raising or harvesting of trees).
- A business involving the production of products for which percentage depletion can be claimed.
- A business of operating a hotel, motel, restaurant, or similar business.

For more details about limits and additional requirements that may apply, see section 1202.

Empowerment Zone Business Stock

You generally can exclude up to 60% of your gain if you meet the following additional requirements.

1. The stock you sold or exchanged was stock in a corporation that qualified as an empowerment zone business during substantially all of the time you held the stock.

2. You acquired the stock after December 21, 2000.

Requirement 1 will still be met if the corporation ceased to qualify after the 5-year period that began on the date you acquired the stock. However, the gain that qualifies for the 60% exclusion cannot be more than the gain you would have had if you had sold the stock on the date the corporation ceased to qualify.

For more information about empowerment zone businesses, see Pub. 954.

Pass-Through Entities

If you held an interest in a pass-through entity (a partnership, S corporation, or mutual fund or other regulated investment company) that sold QSB stock, to qualify for the exclusion you must have held the interest on the date the pass-through entity acquired the QSB stock and at all times thereafter until the stock was sold.

How To Report

Report on line 8 the entire gain realized on the sale of QSB stock. Complete all columns as indicated. Directly below the line on which you reported the gain, enter in column (a) "Section 1202 exclusion" and enter as a loss in column (f) the amount of the allowable exclusion. If you are completing line 18 of Schedule D, enter as a positive number the amount of your allowable exclusion on line 2 of the 28% Rate Gain Worksheet on page D-8; if you excluded 60% of the gain, enter ⅗ of the exclusion.

Gain from Form 1099-DIV. If you received a Form 1099-DIV with a gain in box 2c, part or all of that gain (which is also included in box 2a) may be eligible for the section 1202 exclusion. In column (a) of line 8, enter the name of the corporation whose stock was sold. In column (f), enter the amount of your allowable exclusion as a loss. If you are completing line 18 of Schedule D, enter as a positive number the amount of your allowable exclusion on line 2 of the 28% Rate Gain Worksheet on page D-8; if you excluded 60% of the gain, enter ⅗ of the exclusion.

Gain from Form 2439. If you received a Form 2439 with a gain in box 1c, part or all of that gain (which is also included in box 1a) may be eligible for the section 1202 exclusion. In column (a) of line 8, enter the name of the corporation whose stock was sold. In column (f), enter the amount of your allowable exclusion as a loss. If you are completing line 18 of Schedule D, enter as a positive number the amount of your allowable exclusion on line 2 of the 28% Rate Gain Worksheet on page D-8; if you excluded 60% of the gain, enter ⅗ of the exclusion.

Gain from an installment sale of QSB stock. If all payments are not received in the year of sale, a sale of QSB stock that is not traded on an established securities market generally is treated as an installment sale and is reported on Form 6252. Figure the allowable section 1202 exclusion for the year by multiplying the total amount of the exclusion by a fraction, the numerator of which is the amount of eligible gain to be recognized for the tax year and the denominator of which is the total amount of eligible gain. In column (a) of line 8, enter the name of the corporation whose stock was sold. In column (f), enter the amount of your allowable exclusion as a loss. If you are completing line 18 of Schedule D, enter as a positive number the amount of your allowable exclusion on line 2 of the 28% Rate Gain Worksheet on page D-8; if you excluded 60% of the gain, enter ⅗ of the exclusion.

Alternative minimum tax. You must enter 7% of your allowable exclusion for the year on line 12 of Form 6251.

Rollover of Gain From QSB Stock

If you sold QSB stock (defined on page D-4) that you held for more than 6 months, you may elect to postpone gain if you purchase other QSB stock during the 60-day period that began on the date of the sale. A pass-through entity also may make the election to postpone gain. The benefit of the postponed gain applies to your share of the entity's postponed gain if you held an interest in the entity for the entire period the entity held the QSB stock. If a pass-through entity sold QSB stock held for more than 6 months and you held an interest in the entity for the entire period the entity held the stock, you also may elect to postpone gain if you, rather than the pass-through entity, purchase the replacement QSB stock within the 60-day period.

You must recognize gain to the extent the sale proceeds exceed the cost of the replacement stock. Reduce the basis of the replacement stock by any postponed gain.

You must make the election no later than the due date (including extensions) for filing your tax return for the tax year in which the QSB stock was sold. If your original return was filed on time, you may make the election on an amended return filed no later than 6 months after the due date of your return (excluding extensions). Write "Filed pursuant to section 301.9100-2" at the top of the amended return.

To make the election, report the entire gain realized on the sale on line 1 or 8. Directly below the line on which you reported the gain, enter in column (a) "Section 1045 rollover," and enter the amount of the postponed gain as a (loss) in column (f).

Rollover of Gain From Empowerment Zone Assets

If you sold a qualified empowerment zone asset that you held for more than 1 year, you may be able to elect to postpone part or all of the gain that you would otherwise include on Schedule D. If you make the election, the gain on the sale generally is recognized only to the extent, if any, that the amount realized on the sale exceeds the cost of qualified empowerment zone assets (replacement property) you purchased during the 60-day period beginning on the date of the sale. The following rules apply.

- No portion of the cost of the replacement property may be taken into account to the extent the cost is taken into account to exclude gain on a different empowerment zone asset.
- The replacement property must qualify as an empowerment zone asset with respect to the same empowerment zone as the asset sold.

- You must reduce the basis of the replacement property by the amount of postponed gain.
- This election does not apply to any gain (a) treated as ordinary income or (b) attributable to real property, or an intangible asset, that is not an integral part of an enterprise zone business.
- The District of Columbia enterprise zone is not treated as an empowerment zone for this purpose.
- The election is irrevocable without IRS consent.

See Pub. 954 for the definition of empowerment zone and enterprise zone business. You can find out if your business is located within an empowerment zone by using the RC/EZ/EC Address Locator at *www.hud.gov/crlocator.*

Qualified empowerment zone assets are:

1. Tangible property, if:

a. You acquired the property after December 21, 2000,

b. The original use of the property in the empowerment zone began with you, and

c. Substantially all of the use of the property, during substantially all of the time that you held it, was in your enterprise zone business; and

2. Stock in a domestic corporation or a capital or profits interest in a domestic partnership, if:

a. You acquired the stock or partnership interest after December 21, 2000, solely in exchange for cash, from the corporation at its original issue (directly or through an underwriter) or from the partnership;

b. The business was an enterprise zone business (or a new business being organized as an enterprise zone business) as of the time you acquired the stock or partnership interest; and

c. The business qualified as an enterprise zone business during substantially all of the time during which you held the stock or partnership interest.

How to report. Report the entire gain realized from the sale as you otherwise would without regard to the election. On Schedule D, line 8, enter "Section 1397B Rollover" in column (a) and enter as a loss in column (f) the amount of gain included on Schedule D that you are electing to postpone If you are reporting the sale directly on Schedule D, line 8, use the line directly below the line on which you are reporting the sale

See section 1397B for more details

Exclusion of Gain From DC Zone Assets

If you sold or exchanged a District of Columbia Enterprise Zone (DC Zone) asset that you held for more than 5 years, you may be able to exclude the amount of qualified capital gain that you would otherwise include on Schedule D. The exclusion applies to an interest in, or property of, certain businesses operating in the District of Columbia.

DC Zone asset. A DC Zone asset is any of the following.

- DC Zone business stock
- DC Zone partnership interest.
- DC Zone business property.

Qualified capital gain. Qualified capital gain is any gain recognized on the sale or exchange of a DC Zone asset that is a capital asset or property used in a trade or business. It does not include any of the following gains.

- Gain treated as ordinary income under section 1245.
- Section 1250 gain figured as if section 1250 applied to all depreciation rather than the additional depreciation.
- Gain attributable to real property, or an intangible asset, that is not an integral part of a DC Zone business
- Gain from a related-party transaction. See *Sales and Exchanges Between Related Persons* in chapter 2 of Pub. 544.

See Pub. 954 and section 1400B for more details on DC Zone assets and special rules.

How to report. Report the entire gain realized from the sale or exchange as you otherwise would without regard to the exclusion. On Schedule D, line 8, enter "DC Zone Asset" in column (a) and enter as a loss in column (f) the amount of the allowable exclusion. If you are reporting the sale directly on Schedule D, line 8, use the line directly below the line on which you are reporting the sale.

Specific Instructions

Lines 1 and 8

Enter all sales and exchanges of capital assets, including stocks, bonds, etc., and real estate (if not reported on Form 4684, 4797, 6252, 6781, or 8824). But do not report the sale or exchange of your main home unless required (see page D-2). Include these transactions even if you did not receive a Form 1099-B or 1099-S (or substitute statement) for the transaction. You can use stock ticker symbols or abbreviations to describe the property as long as they are based on the descriptions of the property as shown on Form 1099-B or 1099-S (or substitute statement).

You must enter the details of each transaction on a separate line of Schedule D. If you have more than five transactions to report on line 1 or line 8, you can report the additional transactions on Schedule D-1. Instead of reporting your transactions on Schedules D and D-1, you can report them on an attached statement containing all the same information as Schedules D and D-1 and in a similar format. Use as many Schedules D-1 or attached statements as you need. Enter on Schedule D, lines 2 and 9, the combined totals from all your Schedules D-1 or the attached statements. Do not enter "available upon request" and summary totals in lieu of reporting the details of each transaction on Schedules D and D-1 or attached statements.

CAUTION *Add the following amounts reported to you for 2006 on Forms 1099-B and 1099-S (or substitute statements) that you are not reporting on another form or schedule included with your return: (a) proceeds from transactions involving stocks, bonds, and other securities and (b) gross proceeds from real estate transactions (other than the sale of your main home if you are not required to report it). If this total is more than the total of lines 3 and 10, attach an explanation of the difference (for example, you were the nominee for the actual owner of the property).*

Column (b)—Date Acquired

Enter in this column the date you acquired the asset. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date the stock or property was delivered to the broker or lender to close the short sale.

The date acquired for an asset you held on January 1, 2001, for which you made an election to recognize any gain in a deemed sale is the date of the deemed sale and reacquisition.

If you disposed of property that you acquired by inheritance, report the gain or (loss) on line 8 and enter "INHERITED" in column (b) instead of the date you acquired the property.

If you sold a block of stock (or similar property) that you acquired through several different purchases, you may report the sale on one line and enter "VARIOUS" in column (b). However, you still must report the short-term gain or (loss) on the sale in Part I and the long-term gain or (loss) in Part II

Column (c)—Date Sold

Enter in this column the date you sold the asset. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date you sold the stock or property you borrowed to open the short sale transaction.

Column (d)—Sales Price

Enter in this column either the gross sales price or the net sales price from the sale If you sold stocks or bonds and you received a Form 1099-B (or substitute statement) from your broker that shows gross sales price, enter that amount in column (d). But if Form 1099-B (or substitute statement) indicates that gross proceeds minus commissions and option premiums were reported to the IRS, enter that net amount in column (d). If you enter the net amount in column (d), do not include the commissions and option premiums from the sale in column (e).

You should not have received a Form 1099-B (or substitute statement) for a transaction merely representing the return of your original investment in a nontransferable obligation, such as a savings bond or a certificate of deposit. But if you did, report the amount shown on Form 1099-B (or substitute statement) in both columns (d) and (e).

CAUTION *Be sure to add all sales price entries on lines 1 and 8, column (d), to amounts on lines 2 and 9, column (d). Enter the totals on lines 3 and 10.*

Column (e)—Cost or Other Basis

In general, the cost or other basis is the cost of the property plus purchase commissions and improvements, minus depreciation, amortization, and depletion. If you inherited the property, got it as a gift, or received it in a tax-free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the actual cost as the basis. If you do not use the actual cost, attach an explanation of your basis

If you sold stock, adjust your basis by subtracting all the nondividend distributions you received before the sale. Also adjust your basis for any stock splits. See Pub. 550 for details.

If you elected to recognize gain on an asset held on January 1, 2001, your basis in the asset is its closing market price or fair market value, whichever applies, on the date of the deemed sale and reacquisition.

You may elect to use an average basis for all shares of a mutual fund if you acquired the shares at various times and prices and you left the shares on deposit in an account handled by a custodian or agent who acquired or redeemed those shares. If you are reporting an average basis, include "AVGB" in column (a) of Schedule D. For details on making the election and how to figure average basis, see Pub. 564

The basis of property acquired by gift is generally the basis of the property in the hands of the donor. The basis of property acquired from a decedent is generally the fair market value at the date of death. See Pub. 551 for details

Increase the cost or other basis of an original issue discount (OID) debt instrument by the amount of OID that has been included in gross income for that instrument. See Pub. 550 for details.

If a charitable contribution deduction was allowed because of a bargain sale of property to a charitable organization, the adjusted basis for purposes of determining gain from the sale is the amount that has the same ratio to the adjusted basis as the amount realized has to the fair market value. See Pub 544 for details.

Increase your cost or other basis by any expense of sale, such as broker's fees, commissions, state and local transfer taxes, and option premiums, before making an entry in column (e), unless you reported the net sales price in column (d).

For more details, see Pub 551

Column (f)—Gain or (Loss)

You must make a separate entry in this column for each transaction reported on lines 1 and 8 and any other line(s) that applies to you. For lines 1 and 8, subtract the amount in column (e) from the amount in column (d). Enter negative amounts in parentheses.

Line 18

If you checked "Yes" on line 17, complete the worksheet on page D-8 if either of the following apply for 2006.

- You reported in Part II a section 1202 exclusion from the eligible gain on qualified small business stock (see page D-4), or
- You reported in Part II a collectibles gain or (loss). A collectibles gain or (loss) is any long-term gain or deductible long-term loss from the sale or exchange of a collectible that is a capital asset.

Collectibles include works of art, rugs, antiques, metals (such as gold, silver, and platinum bullion), gems, stamps, coins, alcoholic beverages, and certain other tangible property.

Include on the worksheet any gain (but not loss) from the sale or exchange of an interest in a partnership, S corporation, or trust held for more than 1 year and attribu-

Capital Loss Carryover Worksheet—Lines 6 and 14

Keep for Your Records

Use this worksheet to figure your capital loss carryovers from 2005 to 2006 if your 2005 Schedule D, line 21, is a loss and **(a)** that loss is a smaller loss than the loss on your 2005 Schedule D, line 16, or **(b)** the amount on your 2005 Form 1040, line 41 (or your 2005 Form 1040NR, line 38, if applicable), reduced by any amount on your 2005 Form 8914, line 2, is less than zero Otherwise, you do not have any carryovers.

1.	Enter the amount from your 2005 Form 1040, line 41, or Form 1040NR, line 38. If a loss, enclose the amount in parentheses	1.
2.	Did you file Form 8914 (to claim an exemption amount for housing someone displaced by Hurricane Katrina) for 2005? ☐ **No.** Enter -0-. ☐ **Yes.** Enter the amount from your 2005 Form 8914, line 2	2.
3.	Subtract line 2 from line 1 If the result is less than zero, enclose it in parentheses	3.
4.	Enter the loss from your 2005 Schedule D, line 21, as a positive amount	4.
5.	Combine lines 3 and 4 If zero or less, enter -0-	5.
6.	Enter the **smaller** of line 4 or line 5	6.
	If line 7 of your 2005 Schedule D is a loss, go to line 7; otherwise, enter -0- on line 7 and go to line 11.	
7.	Enter the loss from your 2005 Schedule D, line 7, as a positive amount	7.
8.	Enter any gain from your 2005 Schedule D, line 15. If a loss, enter -0- 8.	
9.	Add lines 6 and 8	9.
10.	**Short-term capital loss carryover for 2006.** Subtract line 9 from line 7 If zero or less, enter -0-. If more than zero, also enter this amount on Schedule D, line 6	10.
	If line 15 of your 2005 Schedule D is a loss, go to line 11; otherwise, skip lines 11 through 15.	
11.	Enter the loss from your 2005 Schedule D, line 15, as a positive amount	11.
12.	Enter any gain from your 2005 Schedule D, line 7. If a loss, enter -0- 12.	
13.	Subtract line 7 from line 6. If zero or less, enter -0- 13.	
14.	Add lines 12 and 13	14.
15.	**Long-term capital loss carryover for 2006.** Subtract line 14 from line 11. If zero or less, enter -0- If more than zero, also enter this amount on Schedule D, line 14	15.

table to unrealized appreciation of collectibles. For details, see Regulations section 1.1(h)-1. Also, attach the statement required under Regulations section 1.1(h)-1(e).

Line 19

If you checked "Yes" on line 17, complete the worksheet on page D-9 if any of the following apply for 2006.

- You sold or otherwise disposed of section 1250 property (generally, real property that you depreciated) held more than 1 year.
- You received installment payments for section 1250 property held more than 1 year for which you are reporting gain on the installment method.
- You received a Schedule K-1 from an estate or trust, partnership, or S corporation that shows "unrecaptured section 1250 gain."
- You received a Form 1099-DIV or Form 2439 from a real estate investment trust or regulated investment company (including a mutual fund) that reports "unrecaptured section 1250 gain."
- You reported a long-term capital gain from the sale or exchange of an interest in a partnership that owned section 1250 property.

Instructions for the Unrecaptured Section 1250 Gain Worksheet

Lines 1 through 3. If you had more than one property described on line 1, complete lines 1 through 3 for each property on a separate worksheet. Enter the total of the line 3 amounts for all properties on line 3 and go to line 4.

Line 4. To figure the amount to enter on line 4, follow the steps below for each installment sale of trade or business property held more than 1 year.

Step 1. Figure the smaller of (a) the depreciation allowed or allowable or (b) the total gain for the sale. This is the smaller of line 22 or line 24 of your 2006 Form 4797 (or the comparable lines of Form 4797 for the year of sale) for the property.

Step 2. Reduce the amount figured in step 1 by any section 1250 ordinary income recapture for the sale. This is the amount from line 26g of your 2006 Form 4797 (or the comparable line of Form 4797 for the year of sale) for the property. The result is your total unrecaptured section 1250 gain that must be allocated to the installment payments received from the sale.

Step 3. Generally, the amount of section 1231 gain on each installment payment is treated as unrecaptured section 1250 gain until the total unrecaptured section 1250 gain figured in step 2 has been used in full. Figure the amount of gain treated as unrecaptured section 1250 gain for installment payments received in 2006 as the smaller of (a) the amount from line 26 or line 37 of your 2006 Form 6252, whichever applies, or (b) the amount of unrecaptured section 1250 gain remaining to be reported. This amount is generally the total unrecaptured section 1250 gain for the sale reduced by all gain reported in prior years (excluding section 1250 ordinary income recapture). However, if you chose not to treat all of the gain from payments received after May 6, 1997, and before August 24, 1999, as unrecaptured section 1250 gain, use only the amount you chose to treat as unrecaptured section 1250 gain for those payments to reduce the total unrecaptured section 1250 gain remaining to be reported for the sale. Include this amount on line 4.

Line 10. Include on line 10 your share of the partnership's unrecaptured section 1250 gain that would result if the partnership had transferred all of its section 1250 property in a fully taxable transaction immediately before you sold or exchanged your interest in that partnership. If you recognized less than all of the realized gain, the partnership will be treated as having transferred only a proportionate amount of each section 1250 property. For details, see Regulations section 1.1(h)-1. Also attach the statement required under Regulations section 1.1(h)-1(e).

Line 12. An example of an amount to include on line 12 is unrecaptured section 1250 gain from the sale of a vacation home you previously used as a rental property but converted to personal use prior to the sale. To figure the amount to enter on line 12, follow the applicable instructions below.

Installment sales. To figure the amount to include on line 12, follow the steps below for each installment sale of property held more than 1 year for which you did not make an entry in Part I of your Form 4797 for the year of sale.

- Step 1. Figure the smaller of (a) the depreciation allowed or allowable or (b) the total gain for the sale. This is the smaller of line 22 or line 24 of your 2006 Form 4797 (or the comparable lines of Form 4797 for the year of sale) for the property.
- Step 2. Reduce the amount figured in step 1 by any section 1250 ordinary income recapture for the sale. This is the amount from line 26g of your 2006 Form 4797 (or the comparable line of Form 4797 for the year of sale) for the property. The result is your total unrecaptured section 1250 gain that must be allocated to the installment payments received from the sale.
- Step 3. Generally, the amount of capital gain on each installment payment is treated as unrecaptured section 1250 gain until the total unrecaptured section 1250 gain figured in step 2 has been used in full. Figure the amount of gain treated as unrecaptured section 1250 gain for installment payments received in 2006 as the smaller of (a) the amount from line 26 or line 37 of your 2006 Form 6252, whichever applies, or (b) the amount of unrecaptured section 1250 gain remaining to be reported. This amount is generally the total unrecaptured section 1250 gain for the sale reduced by all gain reported in prior years (excluding section 1250 ordinary income recapture). However, if you chose not to treat all of the gain from payments received after May 6, 1997, and before August 24, 1999, as unrecaptured section 1250 gain, use only the amount you chose to treat as unrecaptured section 1250 gain for those payments to reduce the total unrecaptured section 1250 gain remaining to be reported for the sale. Include this amount on line 12.

28% Rate Gain Worksheet—Line 18

Keep for Your Records

1.	Enter the total of all collectibles gain or (loss) from items you reported on line 8, column (f), of Schedules D and D-1	1.
2.	Enter as a positive number the amount of any section 1202 exclusion you reported on line 8, column (f), of Schedules D and D-1, for which you excluded 50% of the gain, plus ⅓ of any section 1202 exclusion you reported on line 8, column (f), of Schedules D and D-1, for which you excluded 60% of the gain	2.
3.	Enter the total of all collectibles gain or (loss) from Form 4684, line 4 (but only if Form 4684, line 15, is more than zero), Form 6252, Form 6781, Part II, and Form 8824	3.
4.	Enter the total of any collectibles gain reported to you on: • Form 1099-DIV, box 2d; • Form 2439, box 1d; and • Schedule K-1 from a partnership, S corporation, estate, or trust.	4.
5.	Enter your long-term capital loss carryovers from Schedule D, line 14, and Schedule K-1 (Form 1041), box 11, code C	5. ()
6.	If Schedule D, line 7, is a (loss), enter that (loss) here. Otherwise, enter -0-	6. ()
7.	Combine lines 1 through 6. If zero or less, enter -0-. If more than zero, also enter this amount on Schedule D, line 18	7.

Other sales or dispositions of section 1250 property. For each sale of property held more than 1 year (for which you did not make an entry in Part I of Form 4797), figure the smaller of (a) the depreciation allowed or allowable or (b) the total gain for the sale. This is the smaller of line 22 or line 24 of Form 4797 for the property. Next, reduce that amount by any section 1250 ordinary income recapture for the sale. This is the amount from line 26g of Form 4797 for the property. The result is the total unrecaptured section 1250 gain for the sale. Include this amount on line 12.

Line 21

You have a capital loss carryover from 2006 to 2007 if you have a loss on line 16 and either:

- That loss is more than the loss on line 21, or
- The amount on Form 1040, line 41 (or Form 1040NR, line 38, if applicable), reduced by any amount on line 6 of Form 8914 (relating to an exemption for housing someone displaced by Hurricane Katrina), is less than zero.

To figure any capital loss carryover to 2007, you will use the Capital Loss Carryover Worksheet in the 2007 Instructions for Schedule D. If you want to figure your carryover now, see Pub. 550.

TIP *You will need a copy of your 2006 Form 1040 and Schedule D to figure your capital loss carryover to 2007.*

Unrecaptured Section 1250 Gain Worksheet—Line 19

Keep for Your Records

If you are not reporting a gain on Form 4797, line 7, skip lines 1 through 9 and go to line 10.

1.	If you have a section 1250 property in Part III of Form 4797 for which you made an entry in Part I of Form 4797 (but not on Form 6252), enter the **smaller** of line 22 or line 24 of Form 4797 for that property. If you did not have any such property, go to line 4. If you had more than one such property, see instructions	1.
2.	Enter the amount from Form 4797, line 26g, for the property for which you made an entry on line 1	2.
3.	Subtract line 2 from line 1	3.
4.	Enter the total unrecaptured section 1250 gain included on line 26 or line 37 of Form(s) 6252 from installment sales of trade or business property held more than 1 year (see instructions)	4.
5.	Enter the total of any amounts reported to you on a Schedule K-1 from a partnership or an S corporation as "unrecaptured section 1250 gain"	5.
6.	Add lines 3 through 5	6.
7.	Enter the **smaller** of line 6 or the gain from Form 4797, line 7	7.
8.	Enter the amount, if any, from Form 4797, line 8	8.
9.	Subtract line 8 from line 7. If zero or less, enter -0-	9.
10.	Enter the amount of any gain from the sale or exchange of an interest in a partnership attributable to unrecaptured section 1250 gain (see instructions)	10.
11.	Enter the total of any amounts reported to you on a Schedule K-1, Form 1099-DIV, or Form 2439 as "unrecaptured section 1250 gain" from an estate, trust, real estate investment trust, or mutual fund (or other regulated investment company)	11.
12.	Enter the total of any unrecaptured section 1250 gain from sales (including installment sales) or other dispositions of section 1250 property held more than 1 year for which you did not make an entry in Part I of Form 4797 for the year of sale (see instructions)	12.
13.	Add lines 9 through 12	13.
14.	If you had any section 1202 gain or collectibles gain or (loss), enter the total of lines 1 through 4 of the **28% Rate Gain Worksheet** on page D-7. Otherwise, enter -0-	14.
15.	Enter the (loss), if any, from Schedule D, line 7. If Schedule D, line 7, is zero or a gain, enter -0-	15. ()
16.	Enter your long-term capital loss carryovers from Schedule D, line 14, and Schedule K-1 (Form 1041), box 11, code C	16. ()
17.	Combine lines 14 through 16. If the result is a (loss), enter it as a positive amount. If the result is zero or a gain, enter -0-	17.
18.	**Unrecaptured section 1250 gain.** Subtract line 17 from line 13. If zero or less, enter -0-. If more than zero, enter the result here and on Schedule D, line 19	18.

Schedule D Tax Worksheet

Keep for Your Records

Complete this worksheet only if line 18 or line 19 of Schedule D is more than zero. Otherwise, complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR) to figure your tax.

Exception: Do not use the Qualified Dividends and Capital Gain Tax Worksheet or this worksheet to figure your tax if

- **Line 15 or line 16 of Schedule D is zero or less and you have no qualified dividends on Form 1040, line 9b (or Form 1040NR, line 10b), or**
- **Form 1040, line 43 (or Form 1040NR, line 40) is zero or less**

Instead, see the instructions for Form 1040, line 44 (or Form 1040NR, line 41)

1.	Enter your taxable income from Form 1040, line 43 (or Form 1040NR, line 40)					1.	
2.	Enter your qualified dividends from Form 1040, line 9b (or Form 1040NR, line 10b)	2.					
3.	Enter the amount from Form 4952, line 4g	3.					
4.	Enter the amount from Form 4952, line 4e*	4.					
5.	Subtract line 4 from line 3. If zero or less, enter -0-		5.				
6.	Subtract line 5 from line 2. If zero or less, enter -0-			6.			
7.	Enter the **smaller** of line 15 or line 16 of Schedule D	7.					
8.	Enter the **smaller** of line 3 or line 4	8.					
9.	Subtract line 8 from line 7. If zero or less, enter -0-			9.			
10.	Add lines 6 and 9				10.		
11.	Add lines 18 and 19 of Schedule D			11.			
12.	Enter the **smaller** of line 9 or line 11				12.		
13.	Subtract line 12 from line 10					13.	
14.	Subtract line 13 from line 1. If zero or less, enter -0-					14.	
15.	Enter the **smaller** of: • The amount on line 1 **or** • $30,650 if single or married filing separately, $61,300 if married filing jointly or qualifying widow(er), or $41,050 if head of household			15.			
16.	Enter the **smaller** of line 14 or line 15			16.			
17.	Subtract line 10 from line 1. If zero or less, enter -0-	17.					
18.	Enter the **larger** of line 16 or line 17				▶ 18.		
	If lines 15 and 16 are the same, skip lines 19 and 20 and go to line 21. Otherwise, go to line 19.						
19.	Subtract line 16 from line 15				▶ 19.		
20.	Multiply line 19 by 5% (.05)					20.	
	If lines 1 and 15 are the same, skip lines 21 through 33 and go to line 34. Otherwise, go to line 21.						
21.	Enter the **smaller** of line 1 or line 13			21.			
22.	Enter the amount from line 19 (if line 19 is blank, enter -0-)			22.			
23.	Subtract line 22 from line 21. If zero or less, enter -0-				▶ 23.		
24.	Multiply line 23 by 15% (.15)					24.	
	If Schedule D, line 19, is zero or blank, skip lines 25 through 30 and go to line 31. Otherwise, go to line 25.						
25.	Enter the **smaller** of line 9 above or Schedule D, line 19			25.			
26.	Add lines 10 and 18	26.					
27.	Enter the amount from line 1 above	27.					
28.	Subtract line 27 from line 26. If zero or less, enter -0-			28.			
29.	Subtract line 28 from line 25. If zero or less, enter -0-				▶ 29.		
30.	Multiply line 29 by 25% (.25)					30.	
	If Schedule D, line 18, is zero or blank, skip lines 31 through 33 and go to line 34. Otherwise, go to line 31.						
31.	Add lines 18, 19, 23, and 29				31.		
32.	Subtract line 31 from line 1				32.		
33.	Multiply line 32 by 28% (.28)					33.	
34.	Figure the tax on the amount on line 18. Use the Tax Table or Tax Computation Worksheet, whichever applies					34.	
35.	Add lines 20, 24, 30, 33, and 34					35.	
36.	Figure the tax on the amount on line 1. Use the Tax Table or Tax Computation Worksheet, whichever applies					36.	
37.	**Tax on all taxable income (including capital gains and qualified dividends).** Enter the **smaller** of line 35 or line 36. Also include this amount on Form 1040, line 44 (or Form 1040NR, line 41)					37.	

*If applicable, enter instead the smaller amount you entered on the dotted line next to line 4e of Form 4952

Department of the Treasury
Internal Revenue Service

2006 Instructions for Schedule E (Form 1040)

Supplemental Income and Loss

Use Schedule E (Form 1040) to report income or loss from rental real estate, royalties, partnerships, S corporations, estates, trusts, and residual interests in REMICs.

You can attach your own schedule(s) to report income or loss from any of these sources. Use the same format as on Schedule E.

Enter separately on Schedule E the total income and the total loss for each part. Enclose loss figures in (parentheses).

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

At-Risk Rules

Generally, you must complete Form 6198 to figure your allowable loss if you have:

- A loss from an activity carried on as a trade or business or for the production of income, and
- Amounts in the activity for which you are not at risk.

The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the activity. However, the at-risk rules do not apply to losses from an activity of holding real property, if you acquired your interest in the activity before 1987 and the property was placed in service before 1987. The activity of holding mineral property does not qualify for this exception.

In most cases, you are not at risk for amounts such as the following.

- Nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire your interest in the activity that are not secured by your own property (other than property used in the activity). However, there is an exception for certain nonrecourse financing borrowed by you in connection with holding real property (other than mineral property). See *Qualified nonrecourse financing* on this page.
- Cash, property, or borrowed amounts used in the activity (or contributed to the activity, or used to acquire your interest in the activity) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casualty insurance and insurance against tort liability).
- Amounts borrowed for use in the activity from a person who has an interest in the activity (other than as a creditor) or who is related, under section 465(b)(3)(C), to a person (other than you) having such an interest.

Qualified nonrecourse financing. Qualified nonrecourse financing is treated as an amount at risk if it is secured by real property used in an activity of holding real property that is subject to the at-risk rules. Qualified nonrecourse financing is financing for which no one is personally liable for repayment and is:

- Borrowed by you in connection with holding real property (other than mineral property),
- Not convertible from a debt obligation to an ownership interest, and
- Loaned or guaranteed by any federal, state, or local government, or borrowed by you from a qualified person.

Qualified person. A qualified person is a person who actively and regularly engages in the business of lending money, such as a bank or savings and loan association. A qualified person cannot be:

- Related to you (unless the nonrecourse financing obtained is commercially reasonable and on the same terms as loans involving unrelated persons),
- The seller of the property (or a person related to the seller), or
- A person who receives a fee due to your investment in real property (or a person related to that person).

For more details about the at-risk rules, see the Instructions for Form 6198 and Pub. 925.

Passive Activity Loss Rules

The passive activity loss rules may limit the amount of losses you can deduct. These rules apply to losses in Parts I, II, and III, and line 40 of Schedule E.

Losses from passive activities may be subject first to the at-risk rules. Losses deductible under the at-risk rules are then subject to the passive activity loss rules.

You generally can deduct losses from passive activities only to the extent of income from passive activities. An exception applies to certain rental real estate activities (explained on page E-2).

Passive Activity

A passive activity is any business activity in which you did not materially participate and any rental activity, except as explained on this page and page E-2. If you are a limited partner, you generally are not treated as having materially participated in the partnership's activities for the year.

The rental of real or personal property is generally a rental activity under the passive activity loss rules, but exceptions apply. If your rental of property is not treated as a rental activity, you must determine whether it is a trade or business activity, and if so, whether you materially participated in the activity for the tax year.

See the Instructions for Form 8582 to determine whether you materially participated in the activity and for the definition of "rental activity."

See Pub. 925 for special rules that apply to rentals of:

- Substantially nondepreciable property,
- Property incidental to development activities, and
- Property related to activities in which you materially participate.

Activities That Are Not Passive Activities

Activities of real estate professionals. If you were a real estate professional in 2006, any rental real estate activity in which you materially participated is not a passive activity. You were a real estate professional only if you met both of the following conditions.

1. More than half of the personal services you performed in trades or businesses were performed in real property trades or businesses in which you materially participated.
2. You performed more than 750 hours of services in real property trades or businesses in which you materially participated.

For purposes of this rule, each interest in rental real estate is a separate activity, unless you elect to treat all your interests in

Cat. No. 24332T

rental real estate as one activity. To make this election, attach a statement to your original tax return that declares you are a qualifying taxpayer for the year and you are making the election under section 469(c)(7)(A). The election applies for the year made and all later years in which you are a real estate professional. You can revoke the election only if your facts and circumstances materially change.

If you are married filing jointly, either you or your spouse must meet both of the above conditions, without taking into account services performed by the other spouse.

A real property trade or business is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business. Services you performed as an employee are not treated as performed in a real property trade or business unless you owned more than 5% of the stock (or more than 5% of the capital or profits interest) in the employer.

If you were a real estate professional for 2006, complete Schedule E, line 43.

Other activities. The rental of your home that you also used for personal purposes is not a passive activity. See the instructions for line 2 on page E-3.

A working interest in an oil or gas well that you held directly or through an entity that did not limit your liability is not a passive activity even if you did not materially participate.

Royalty income not derived in the ordinary course of a trade or business reported on Schedule E generally is not considered income from a passive activity.

For more details on passive activities, see the Instructions for Form 8582 and Pub. 925.

Exception for Certain Rental Real Estate Activities

If you meet all three of the following conditions, your rental real estate losses are not limited by the passive activity loss rules. If you do not meet all three of these conditions, see the Instructions for Form 8582 to find out if you must complete and attach Form 8582 to figure any losses allowed.

1. Rental real estate activities are your only passive activities.
2. You do not have any prior year unallowed losses from any passive activities.
3. All of the following apply if you have an overall net loss from these activities:

a. You actively participated (defined on this page) in all of the rental real estate activities;

b. If married filing separately, you lived apart from your spouse all year;

c. Your overall net loss from these activities is $25,000 or less ($12,500 or less if married filing separately);

d. You have no current or prior year unallowed credits from passive activities; and

e. Your modified adjusted gross income (defined below) is $100,000 or less ($50,000 or less if married filing separately).

Active participation. You can meet the active participation requirement without regular, continuous, and substantial involvement in real estate activities. But you must have participated in making management decisions or arranging for others to provide services (such as repairs) in a significant and bona fide sense. Such management decisions include:

- Approving new tenants,
- Deciding on rental terms,
- Approving capital or repair expenditures, and
- Other similar decisions.

You are not considered to actively participate if, at any time during the tax year, your interest (including your spouse's interest) in the activity was less than 10% by value of all interests in the activity.

Modified adjusted gross income. This is your adjusted gross income from Form 1040, line 38, or Form 1040NR, line 36, without taking into account:

- Any passive activity loss,
- Rental real estate losses allowed for real estate professionals (see *Activities of real estate professionals* that begin on page E-1),
- Taxable social security or tier 1 railroad retirement benefits,
- Deductible contributions to a traditional IRA or certain other qualified retirement plans under section 219,
- The student loan interest deduction,
- The domestic production activities deduction,
- The deduction for one-half of self-employment tax,
- The exclusion from income of interest from series EE and I U.S. savings bonds used to pay higher education expenses, and
- Any excluded amounts under an employer's adoption assistance program.

CAUTION

At the time these instructions went to print, Congress was considering legislation that would extend the deduction for tuition and fees that expired at the end of 2005. To find out if this legislation was enacted, and for more details, go to www.irs.gov, *click* on More Forms and Publications, *and then* on What's Hot in forms and publications, *or see Pub. 553. If the deduction for tuition and fees is extended, it is not taken into account when figuring your modified adjusted gross income as discussed above.*

Reportable Transaction Disclosure Statement

Use Form 8886 to disclose information for each reportable transaction in which you participated. Form 8886 must be filed for each tax year that your federal income tax liability is affected by your participation in the transaction. You may have to pay a penalty if you are required to file Form 8886 but do not do so. The following are reportable transactions.

- Any transaction that is the same as or substantially similar to tax avoidance transactions identified by the IRS.
- Any transaction offered under conditions of confidentiality for which you paid an advisor a minimum fee.
- Any transaction for which you have contractual protection against disallowance of the tax benefits.
- Any transaction resulting in a loss of at least $2 million in any single tax year or $4 million in any combination of tax years. (At least $50,000 for a single tax year if the loss arose from a foreign currency transaction defined in section 988(c)(1), whether or not the loss flows through from an S corporation or partnership.)
- Any transaction resulting in a tax credit of more than $250,000, if you held the asset generating the credit for 45 days or less.

See the Instructions for Form 8886 for more details and exceptions.

Tax Shelter Registration Number

Complete and attach Form 8271 if you are claiming or reporting any income, deduction, loss, credit, or other tax benefit, from an interest purchased or otherwise acquired in a tax shelter required to be registered with the IRS. Form 8271 is used to report the name, tax shelter registration number, and identifying number of the tax shelter.

See Form 8271 for more details.

Specific Instructions

Filers of Form 1041

If you are a fiduciary filing Schedule E with Form 1041, enter the estate's or trust's employer identification number (EIN) in the space for "Your social security number."

Part I

Income or Loss From Rental Real Estate and Royalties

Use Part I to report:

- Income and expenses from rental real estate (including personal property leased with real estate), and
- Royalty income and expenses.

See the instructions for lines 3 and 4 to determine if you should report your rental real estate and royalty income on Schedule C, Schedule C-EZ, or Form 4835 instead of Schedule E.

If you own a part interest in a rental real estate property, report only your part of the income and expenses on Schedule E.

Complete lines 1 and 2 for each rental real estate property. Leave these lines blank for each royalty property.

If you have more than three rental real estate or royalty properties, complete and attach as many Schedules E as you need to list them. But fill in the "Totals" column on only one Schedule E. The figures in the "Totals" column on that Schedule E should be the combined totals of all your Schedules E. If you are also using page 2 of Schedule E, use the same Schedule E on which you entered the combined totals for Part I.

Personal property. Do not use Schedule E to report income and expenses from the rental of personal property, such as equipment or vehicles. Instead, use Schedule C or C-EZ if you are in the business of renting personal property. You are in the business of renting personal property if the primary purpose for renting the property is income or profit and you are involved in the rental activity with continuity and regularity.

If your rental of personal property is not a business, see the instructions for Form 1040, lines 21 and 36, to find out how to report the income and expenses.

Extraterritorial income exclusion. Except as otherwise provided in the Internal Revenue Code, gross income includes all income from whatever source derived. Gross income, however, does not include 60% of extraterritorial income that is qualifying foreign trade income. Use Form 8873 to figure the extraterritorial income exclusion. Report it on Schedule E as explained in the Instructions for Form 8873.

Chapter 11 bankruptcy cases. If you were a debtor in a chapter 11 bankruptcy case, see page 22 of the instructions for Form 1040.

Line 1

For rental real estate property only, show all of the following.

- The kind of property you rented (for example, townhouse).
- The street address, city or town, and state. You do not have to give the ZIP code.
- Your percentage of ownership in the property, if less than 100%.

Line 2

If you rented out a dwelling unit that you also used for personal purposes during the year, you may not be able to deduct all the expenses for the rental part. "Dwelling unit" (unit) means a house, apartment, condominium, or similar property.

A day of personal use is any day, or part of a day, that the unit was used by:

- You for personal purposes,
- Any other person for personal purposes, if that person owns part of the unit (unless rented to that person under a "shared equity" financing agreement),
- Anyone in your family (or in the family of someone else who owns part of the unit), unless the unit is rented at a fair rental price to that person as his or her main home,
- Anyone who pays less than a fair rental price for the unit, or
- Anyone under an agreement that lets you use some other unit.

Do not count as personal use:

- Any day you spent working substantially full time repairing and maintaining the unit, even if family members used it for recreational purposes on that day, or
- Any days you used the unit as your main home before or after renting it or offering it for rent, if you rented or tried to rent it for at least 12 consecutive months (or for a period of less than 12 consecutive months at the end of which you sold or exchanged it).

Check "Yes" if you or your family used the unit for personal purposes in 2006 more than the greater of:

1. 14 days, or
2. 10% of the total days it was rented to others at a fair rental price.

Otherwise, check "No."

If you checked "No," you can deduct all your expenses for the rental part, subject to the *At-Risk Rules* and the *Passive Activity Loss Rules* explained beginning on page E-1.

If you checked "Yes" and rented the unit out for fewer than 15 days, do not report the rental income and do not deduct any rental expenses. If you itemize deductions on Schedule A, you can deduct allowable interest, taxes, and casualty losses.

If you checked "Yes" and rented the unit out for at least 15 days, you may not be able to deduct all your rental expenses. You can deduct all of the following expenses for the rental part on Schedule E:

- Mortgage interest,
- Real estate taxes,
- Casualty losses,
- Other rental expenses not related to your use of the unit as a home, such as advertising expenses and rental agents' fees.

If any income is left after deducting these expenses, you can deduct other expenses, including depreciation, up to the amount of remaining income. You can carry over to 2007 the amounts you cannot deduct.

See Pub. 527 for details.

Line 3

If you received rental income from real estate (including personal property leased with real estate) and you were not in the real estate business, report the income on line 3. Use a separate column (A, B, or C) for each rental property. Include income received for renting a room or other space. If you received services or property instead of money as rent, report the fair market value of what you received as rental income.

Be sure to enter the total of all your rents in the "Totals" column even if you have only one property.

If you provided significant services to the renter, such as maid service, report the rental activity on Schedule C or C-EZ, not on Schedule E. Significant services do not include the furnishing of heat and light, cleaning of public areas, trash collection, or similar services.

If you were in the real estate sales business, include on line 3 only the rent received from real estate (including personal property leased with real estate) you held for investment or speculation. Do not use Schedule E to report income and expenses from rentals of real estate held for sale to customers in the ordinary course of your real estate sales business. Instead, use Schedule C or C-EZ for these rentals.

For more details on rental income use TeleTax topic 414 (see the Instructions for Form 1040, page 9, or Pub. 527).

Rental income from farm production or crop shares. Report farm rental income and expenses on Form 4835 if:

- You received rental income based on crops or livestock produced by the tenant, and
- You did not materially participate in the management or operation of the farm.

Line 4

Report on line 4 royalties from oil, gas, or mineral properties (not including operating interests); copyrights; and patents. Use a separate column (A, B, or C) for each royalty property. Be sure to enter the total of all your royalties in the "Totals" column.

even if you have only one source of royalties.

If you received $10 or more in royalties during 2006, the payer should send you a Form 1099-MISC or similar statement by January 31, 2007, showing the amount you received.

If you are in business as a self-employed writer, inventor, artist, etc., report your royalty income and expenses on Schedule C or C-EZ.

You may be able to treat amounts received as "royalties" for the transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset. For details, see Pub. 544.

Enter on line 4 the gross amount of royalty income, even if state or local taxes were withheld from oil or gas payments you received. Include taxes withheld by the producer on line 16.

General Instructions for Lines 5 Through 21

Enter your rental and royalty expenses for each property in the appropriate column. You can deduct all ordinary and necessary expenses, such as taxes, interest, repairs, insurance, management fees, agents' commissions, and depreciation.

Do not deduct the value of your own labor or amounts paid for capital investments or capital improvements.

Enter your total expenses for mortgage interest (line 12), total expenses before depreciation expense or depletion (line 19), and depreciation expenses or depletion (line 20) in the "Totals" column even if you have only one property.

Renting out part of your home. If you rent out only part of your home or other property, deduct the part of your expenses that applies to the rented part.

Credit or deduction for access expenditures. You may be able to claim a tax credit for eligible expenditures paid or incurred in 2006 to provide access to your business for individuals with disabilities. See Form 8826 for details.

You can also deduct up to $15,000 of qualified costs paid or incurred in 2006 to remove architectural or transportation barriers to individuals with disabilities and the elderly.

You cannot take both the credit and the deduction for the same expenditures.

Line 6

You can deduct ordinary and necessary auto and travel expenses related to your rental activities, including 50% of meal expenses incurred while traveling away from home. You generally can either deduct your actual expenses or take the standard mileage rate. You must use actual expenses if you used more than four vehicles simultaneously in your rental activities (as in fleet operations). You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

You can use the standard mileage rate for 2006 only if:

- You owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or
- You leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

If you deduct actual auto expenses:

- Include on line 6 the rental activity portion of the cost of gasoline, oil, repairs, insurance, tires, etc., and
- Show auto rental or lease payments on line 18 and depreciation on line 20.

If you take the standard mileage rate, multiply the number of miles you drove your auto in connection with your rental activities by 44.5 cents. Include this amount and your parking fees and tolls on line 6.

If you claim any auto expenses (actual or the standard mileage rate), you must complete Part V of Form 4562 and attach Form 4562 to your tax return.

See Pub. 527 and Pub. 463 for details.

Line 10

Include on line 10 fees for tax advice and the preparation of tax forms related to your rental real estate or royalty properties.

Do not deduct legal fees paid or incurred to defend or protect title to property, to recover property, or to develop or improve property. Instead, you must capitalize these fees and add them to the property's basis.

Lines 12 and 13

In general, to determine the interest expense allocable to your rental activities, you must have records to show how the proceeds of each debt were used. Specific tracing rules apply for allocating debt proceeds and repayment. See Pub. 535 for details.

If you have a mortgage on your rental property, enter on line 12 the amount of interest you paid for 2006 to banks or other financial institutions. Be sure to enter the total of all your mortgage interest in the "Totals" column even if you have only one property.

Do not deduct prepaid interest when you paid it. You can deduct it only in the year to which it is properly allocable. Points, including loan origination fees, charged only for the use of money must be deducted over the life of the loan.

If you paid $600 or more in interest on a mortgage during 2006, the recipient should send you a Form 1098 or similar statement by January 31, 2007, showing the total interest received from you.

If you paid more mortgage interest than is shown on your Form 1098 or similar statement, see Pub. 535 to find out if you can deduct part or all of the additional interest. If you can, enter the entire deductible amount on line 12. Attach a statement to your return explaining the difference. On the dotted line next to line 12, enter "See attached."

Note. If the recipient was not a financial institution or you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 13.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage, and the other person received Form 1098, report your share of the deductible interest on line 13. Attach a statement to your return showing the name and address of the person who received Form 1098. On the dotted line next to line 13, enter "See attached."

Line 14

You can deduct the cost of repairs made to keep your property in good working condition. Repairs generally do not add significant value to the property or extend its life. Examples of repairs are fixing a broken lock or painting a room. Improvements that increase the value of the property or extend its life, such as replacing a roof or renovating a kitchen, must be capitalized and depreciated (that is, they cannot be deducted in full in the year they are paid or incurred). See the instructions for line 20.

Line 17

You can deduct the cost of ordinary and necessary telephone calls related to your rental activities or royalty income (for example, calls to the renter). However, the base rate (including taxes and other charges) for local telephone service for the first telephone line into your residence is a personal expense and is not deductible.

Line 20

Depreciation is the annual deduction you must take to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. Land is not depreciable.

Depreciation starts when you first use the property in your business or for the production of income. It ends when you deduct all your depreciable cost or other basis or no longer use the property in your business or for the production of income.

See the Instructions for Form 4562 to figure the amount of depreciation to enter on line 20. Be sure to enter the total of all your depreciation in the "Totals" column even if you have only one property.

You must complete and attach Form 4562 only if you are claiming:

- Depreciation on property first placed in service during 2006,
- Depreciation on listed property (defined in the Instructions for Form 4562), including a vehicle, regardless of the date it was placed in service, or
- A section 179 expense deduction or amortization of costs that began in 2006.

See Pub. 527 for more information on depreciation of residential rental property. See Pub. 946 for a more comprehensive guide to depreciation.

If you own mineral property or an oil, gas, or geothermal well, you may be able to take a deduction for depletion. See Pub. 535 for details.

Line 22

If you have amounts for which you are not at risk, use Form 6198 to determine the amount of your deductible loss. Enter that amount in the appropriate column of Schedule E, line 22. In the space to the left of line 22, enter "Form 6198." Attach Form 6198 to your return. For details on the at-risk rules, see page E-1.

Line 23

Do not complete line 23 if the amount on line 22 is from royalty properties.

If you have a rental real estate loss from a passive activity (defined on page E-1), the amount of loss you can deduct may be limited by the passive activity loss rules. You may need to complete Form 8582 to figure the amount of loss, if any, to enter on line 23.

If your rental real estate loss is not from a passive activity or you meet the exception for certain rental real estate activities (explained on page E-2), you do not have to complete Form 8582. Enter the loss from line 22 on line 23.

Parts II and III

If you need more space in Part II or III to list your income or losses, attach a continuation sheet using the same format as shown in Part II or III. However, be sure to complete the "Totals" columns for lines 29a and 29h, or lines 34a and 34b, as appropriate. If you also completed Part I on more than one Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

Tax preference items. If you are a partner, a shareholder in an S corporation, or a beneficiary of an estate or trust, you must take into account your share of preferences and adjustments from these entities for the alternative minimum tax on Form 6251 or Schedule I of Form 1041.

Part II

Income or Loss From Partnerships and S Corporations

If you are a member of a partnership or joint venture or a shareholder in an S corporation, use Part II to report your share of the partnership or S corporation income (even if not received) or loss.

You should receive a Schedule K-1 from the partnership or S corporation. You should also receive a copy of the Partner's or Shareholder's Instructions for Schedule K-1. Your copy of Schedule K-1 and its instructions will tell you where on your return to report your share of the items. If you did not receive these instructions with your Schedule K-1, see the Instructions for Form 1040, page 7, or the Instructions for Form 1040NR, page 31, for how to get a copy. Do not attach Schedules K-1 to your return. Keep them for your records.

If you are treating items on your tax return differently from the way the partnership (other than an electing large partnership) or S corporation reported them on its return, you may have to file Form 8082. If you are a partner in an electing large partnership, you must report the items shown on Schedule K-1 (Form 1065-B) on your tax return the same way that the partnership reported the items on Schedule K-1.

Special rules that limit losses. Please note the following.

- If you have a current year loss, or a prior year unallowed loss, from a partnership or an S corporation, see *At-Risk Rules* and *Passive Activity Loss Rules* on page E-1.

Partners and S corporation shareholders should get a separate statement of income, expenses, deductions, and credits for each activity engaged in by the partnership and S corporation. If you are subject to the at-risk rules for any activity, use Form 6198 to figure the amount of any deductible loss. If the activity is nonpassive, enter any deductible loss from Form 6198 on the appropriate line in Part II, column (h), of Schedule E.

- If you have a passive activity loss, you generally need to complete Form 8582 to figure the amount of the allowable loss to enter in Part II, column (f), for that activity. But if you are a general partner or an S corporation shareholder reporting your share of a partnership or an S corporation loss from a rental real estate activity and you meet all three of the conditions listed on page E-2 under *Exception for Certain Rental Real Estate Activities*, you do not have to complete Form 8582. Instead, enter your allowable loss in Part II, column (f).

If you have passive activity income, complete Part II, column (g), for that activity.

If you have nonpassive income or losses, complete Part II, columns (h) through (j), as appropriate.

Partnerships

See the Schedule K-1 instructions before entering on your return other partnership items from a passive activity or income or loss from any publicly traded partnership.

You can deduct unreimbursed ordinary and necessary expenses you paid on behalf of the partnership if you were required to pay these expenses under the partnership agreement. See the instructions for line 27 on page E-6 for how to report these expenses.

Report allowable interest expense paid or incurred from debt-financed acquisitions in Part II or on Schedule A depending on the type of expenditure to which the interest is allocated. See Pub. 535 for details.

If you claimed a credit for federal tax on gasoline or other fuels on your 2005 Form 1040, or Form 1040NR, based on information received from the partnership, enter as income in column (g) or column (j), whichever applies, the amount of the credit claimed for 2005.

Part or all of your share of partnership income or loss from the operation of the business may be considered net earnings from self-employment that must be reported on Schedule SE. Enter the amount from Schedule K-1 (Form 1065), box 14, code A (or from Schedule K-1 (Form 1065-B), box 9 (code J1)), on Schedule SE, after you reduce this amount by any allowable expenses attributable to that income.

Foreign partnerships. If you are a U.S. person, you may have to file Form 8865 if any of the following applies.

1. You controlled a foreign partnership (that is, you owned more than a 50% direct or indirect interest in the partnership).
2. You owned at least a 10% direct or indirect interest in a foreign partnership while U.S. persons controlled that partnership.
3. You had an acquisition, disposition, or change in proportional interest of a foreign partnership that:

a. Increased your direct interest to at least 10% or reduced your direct interest of at least 10% to less than 10%, or

b. Changed your direct interest by at least a 10% interest.

4. You contributed property to a foreign partnership in exchange for a partnership interest if:

a. Immediately after the contribution, you owned, directly or indirectly, at least a 10% interest in the partnership, or

b. The fair market value of the property you contributed to the partnership in exchange for a partnership interest, when added to other contributions of property you

made to the partnership during the preceding 12-month period, exceeds $100,000.

Also, you may have to file Form 8865 to report certain dispositions by a foreign partnership of property you previously contributed to that partnership if you were a partner at the time of the disposition.

For more details, including penalties for failing to file Form 8865, see Form 8865 and its separate instructions.

S Corporations

If you are a shareholder in an S corporation, your share of the corporation's aggregate losses and deductions (combined income, losses, and deductions) is limited to the adjusted basis of your corporate stock and any debt the corporation owes you. Any loss or deduction not allowed this year because of the basis limitation can be carried forward and deducted in a later year subject to the basis limitation for that year.

If you are claiming a deduction for your share of an aggregate loss, attach to your return a computation of the adjusted basis of your corporate stock and of any debt the corporation owes you. See the Schedule K-1 instructions for details.

After applying the basis limitation, the deductible amount of your aggregate losses and deductions may be further reduced by the at-risk rules and the passive activity loss rules. See page E-1.

Distributions of prior year accumulated earnings and profits of S corporations are dividends and are reported on Form 1040, line 9a.

Interest expense relating to the acquisition of shares in an S corporation may be fully deductible on Schedule E. For details, see Pub. 535.

Your share of the net income of an S corporation is not subject to self-employment tax.

Line 27

If you answered "Yes" on line 27, follow the instructions below. If you fail to follow these instructions, the IRS may send you a notice of additional tax due because the amounts reported by the partnership or S corporation on Schedule K-1 do not match the amounts you reported on your tax return.

Losses Not Allowed in Prior Years Due to the At-Risk or Basis Limitations

- Enter your total prior year unallowed losses that are now deductible on a separate line in column (h) of line 28. Do not combine these losses with, or net them against, any current year amounts from the partnership or S corporation.
- Enter "PYA" (prior year amount) in column (a) of the same line.

Prior Year Unallowed Losses From a Passive Activity Not Reported on Form 8582

- Enter on a separate line in column (f) of line 28 your total prior year unallowed losses not reported on Form 8582. Such losses include prior year unallowed losses that are now deductible because you did not have an overall loss from all passive activities or you disposed of your entire interest in a passive activity in a fully taxable transaction. Do not combine these losses with, or net them against, any current year amounts from the partnership or S corporation.
- Enter "PYA" (prior year amount) in column (a) of the same line.

Unreimbursed Partnership Expenses

- You can deduct unreimbursed ordinary and necessary partnership expenses you paid on behalf of the partnership on Schedule E if you were required to pay these expenses under the partnership agreement (except amounts deductible only as itemized deductions, which you must enter on Schedule A).
- Enter unreimbursed partnership expenses from nonpassive activities on a separate line in column (h) of line 28. Do not combine these expenses with, or net them against, any other amounts from the partnership.
- If the expenses are from a passive activity and you are not required to file Form 8582, enter the expenses related to a passive activity on a separate line in column (f) of line 28. Do not combine these expenses with, or net them against, any other amounts from the partnership.
- Enter "UPE" (unreimbursed partnership expenses) in column (a) of the same line.

Line 28

For nonpassive income or loss (and passive income or losses for which you are not filing Form 8582), enter in the applicable column of line 28 your current year ordinary income or loss from the partnership or S corporation. Report each related item required to be reported on Schedule E (including items of income or loss stated separately on Schedule K-1) in the applicable column of a separate line following the line on which you reported the current year ordinary income or loss. Also enter a description of the related item (for example, depletion) in column (a) of the same line.

If you are required to file Form 8582, see the Instructions for Form 8582 before completing Schedule E.

Part III

Income or Loss From Estates and Trusts

If you are a beneficiary of an estate or trust, use Part III to report your part of the income (even if not received) or loss. You should receive a Schedule K-1 (Form 1041) from the fiduciary. Your copy of Schedule K-1 and its instructions will tell you where on your return to report the items from Schedule K-1. Do not attach Schedule K-1 to your return. Keep it for your records.

If you are treating items on your tax return differently from the way the estate or trust reported them on its return, you may have to file Form 8082.

If you have estimated taxes credited to you from a trust (Form 1041, Schedule K-1, box 13, code A), enter "ES payment claimed" and the amount on the dotted line next to line 37. Do not include this amount in the total on line 37. Instead, enter the amount on Form 1040, line 65.

A U.S. person who transferred property to a foreign trust may have to report the income received by the trust as a result of the transferred property if, during 2006, the trust had a U.S. beneficiary. See section 679. An individual who received a distribution from, or who was the grantor of or transferor to, a foreign trust must also complete Part III of Schedule B (Form 1040) and may have to file Form 3520. In addition, the owner of a foreign trust must ensure that the trust files an annual information return on Form 3520-A.

Part IV

Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)

If you are the holder of a residual interest in a REMIC, use Part IV to report your total share of the REMIC's taxable income or loss for each quarter included in your tax year. You should receive Schedule Q (Form 1066) and instructions from the REMIC for each quarter. Do not attach Schedules Q to your return. Keep them for your records.

If you are treating REMIC items on your tax return differently from the way the REMIC reported them on its return, you may have to file Form 8082.

If you are the holder of a residual interest in more than one REMIC, attach a continuation sheet using the same format as in Part IV. Enter the combined totals of columns (d) and (e) on Schedule E, line 39. If you also completed Part I on more than one Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

REMIC income or loss is not income or loss from a passive activity.

Note. If you are the holder of a regular interest in a REMIC, do not use Schedule E to report the income you received. Instead, report it on Form 1040, line 8a.

Column (c). Report the total of the amounts shown on Schedule(s) Q, line 2c. This is the smallest amount you are allowed to report as your taxable income (Form 1040, line 43). It is also the smallest amount you are allowed to report as your alternative minimum taxable income (AMTI) on Form 6251, line 28.

If the amount in column (c) is larger than your taxable income would otherwise be, enter the amount from column (c) on Form 1040, line 43. Similarly, if the amount in column (c) is larger than your AMTI would otherwise be, enter the amount from column (c) on Form 6251, line 28. Enter "Sch. Q" on the dotted line to the left of this amount on Form 1040, line 43, and Form 6251, line 28, if applicable.

Note. These rules also apply to estates and trusts that hold a residual interest in a REMIC. Be sure to make the appropriate entries on the comparable lines on Form 1041.

CAUTION *Do not include the amount shown in column (c) in the total on Schedule E, line 39.*

Column (e). Report the total of the amounts shown on Schedule(s) Q, line 3b. If you itemize your deductions, include this amount on Form 1040, Schedule A, line 22.

Part V Summary

Line 42

You will not be charged a penalty for underpayment of estimated tax if:

1. Your gross farming or fishing income for 2005 or 2006 is at least two-thirds of your gross income, and
2. You file your 2006 tax return and pay the tax due by March 1, 2007.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is approved under OMB control number 1545-1972 and is shown below.

Recordkeeping	3 hr.
Learning about the law or the form	1 hr., 13 min.
Preparing the form	1 hr., 27 min.
Copying, assembling, and sending the form to the IRS	34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Department of the Treasury
Internal Revenue Service

2006 Instructions for Schedule F

Profit or Loss From Farming

Use Schedule F (Form 1040) to report farm income and expenses. File it with Form 1040, 1040NR, 1041, 1065, or 1065-B.

Your farming activity may subject you to state and local taxes and other requirements such as business licenses and fees. Check with your state and local governments for more information.

Additional information. Pub. 225 has samples of filled-in forms and schedules, and lists important dates that apply to farmers.

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

Deduction for qualified clean-up costs. You may be able to deduct 50% of amounts paid or incurred for removal of debris or demolition of structures located in the Gulf Opportunity (GO) Zone. See *GO Zone clean-up costs* on page F-6.

Increased expense limit for qualified timber property. For qualified timber property you own in the GO Zone, the Rita GO Zone, or the Wilma GO Zone, the limit on expensing reforestation expenditures is increased by up to $10,000. See *Forestation and reforestation costs* on page F-6.

Increased section 179 limits for GO Zone property. You may be able to take an increased section 179 deduction for qualified GO Zone property you placed in service in 2006. For information, see Pub. 225.

Additional depreciation allowed for qualified property. If, during 2006, you placed in service qualified property in the GO Zone, you may be able to claim additional depreciation deductions. See Pub. 225 for more information.

Employee retention credit has expired. This credit was available for qualified wages paid before January 1, 2006.

Clean-fuel vehicle and refueling property deductions have expired. These deductions were available for property placed in service before January 1, 2006.

Indian employment credit has expired. This credit was available for qualified wages paid before January 1, 2006.

CAUTION

At the time these instructions went to print, Congress was considering legislation that would extend the Indian employment credit that expired at the end of 2005. To find out if this legislation was enacted, and for more details, go to www.irs.gov, *click on* More Forms and Publications, *and then on* What's Hot in forms and publications, *or see Pub. 553.*

General Instructions

Other Schedules and Forms You May Have To File

- Schedule E, Part I, to report rental income from pastureland that is based on a flat charge. Report on Schedule F, line 10, pasture income received from taking care of someone else's livestock.
- Schedule J to figure your tax by averaging your farm income over the previous 3 years. Doing so may reduce your tax.
- Schedule SE to pay self-employment tax on income from your farming business.
- Form 4562 to claim depreciation on assets placed in service in 2006, to claim amortization that began in 2006, to make an election under section 179 to expense certain property, or to report information on vehicles and other listed property.
- Form 4684 to report a casualty or theft gain or loss involving farm business property, including livestock held for draft, breeding, sport, or dairy purposes. See Pub. 225 for more information on how to report various farm losses, such as losses due to death of livestock or damage to crops or other farm property.
- Form 4797 to report sales, exchanges, or involuntary conversions (other than from a casualty or theft) of certain farm property. Also use this form to report sales of livestock held for draft, breeding, sport, or dairy purposes.
- Form 4835 to report rental income based on farm production or crop shares if you did not materially participate in the management or operation of the farm. This income is not subject to self-employment tax. See Pub. 225.
- Form 8824 to report like-kind exchanges.
- Form 8903 to take a deduction for income from domestic production activities.
- Form 8910 to claim a credit for placing a new alternative motor vehicle in service after 2005 for business use.
- Form 8911 to claim a credit for placing qualified alternative fuel vehicle refueling property in service after 2005 for business use.

Heavy highway vehicle use tax. If you use certain highway trucks, truck-trailers, tractor trailers, or buses in your farming business, you may have to pay a federal highway motor vehicle use tax. See the Instructions for Form 2290 to find out if you owe this tax.

Information returns. You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, real estate transactions, annuities, and pensions. You may also have to file an information return if you sold $5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other similar basis for resale. For details, see the 2006 General Instructions for Forms 1099, 1098, 5498, and W-2G.

If you received cash of more than $10,000 in one or more related transactions in your farming business, you may have to file Form 8300. For details, see Pub. 1544.

Reportable transaction disclosure statement. If you entered into a reportable transaction in 2006, you must file Form 8886 to disclose information if your federal income tax liability is affected by your participation in the transaction. You may have to pay a penalty if you are required to file Form 8886 but do not do so. You may also have to pay interest and penalties on any reportable transaction understatements. For more information on reportable transactions, see *Reportable Transaction Disclosure Statement* that begins on page C-2 of the instructions for Schedule C.

Estimated Tax

If you had to make estimated tax payments in 2006 and you underpaid your estimated tax, you will not be charged a penalty if both of the following apply.

- Your gross farming or fishing income for 2005 or 2006 is at least two-thirds of your gross income.
- You file your 2006 tax return and pay the tax due by March 1, 2007.

For details, see Pub. 225.

Specific Instructions

Filers of Forms 1041, 1065, and 1065-B. Do not complete the block labeled "Social security number (SSN)." Instead, enter your employer identification number (EIN) on line D.

Line B

On line B, enter one of the 14 principal agricultural activity codes listed in Part IV on page 2 of Schedule F. Select the code that best describes the source of most of your income.

Line C

If you use the cash method, check box 1, labeled "Cash." Complete Schedule F, Parts I and II. Generally, report income in the year in which you actually or constructively received it and deduct expenses in the year you paid them. However, if the payment of an expenditure creates an asset having a useful life that extends substantially beyond the close of the year, it may not be deductible or may be deductible only in part for the year of the payment. See Pub. 225.

If you use an accrual method, check box 2, labeled "Accrual." Complete Schedule F, Parts II, III, and Part I, line 11. Generally, report income in the year in which you earned it and deduct expenses in the year you incurred them, even if you did not pay them in that year. Accrual basis taxpayers are put on a cash basis for deducting business expenses owed to a related cash-basis taxpayer. Other rules determine the timing of deductions based on economic performance. See Pub. 538.

Farming syndicates cannot use the cash method of accounting. A farming syndicate may be a partnership, any other noncorporate group, or an S corporation if:

- The interests in the business have ever been for sale in a way that would require registration with any federal or state agency, or
- More than 35% of the loss during any tax year is shared by limited partners or limited entrepreneurs. A limited partner is one who can lose only the amount invested or required to be invested in the partnership. A limited entrepreneur is a person who does not take any active part in managing the business.

Line D

You need an employer identification number (EIN) only if you had a qualified retirement plan or were required to file an employment, excise, estate, trust, partnership, or alcohol, tobacco, and firearms tax return. If you need an EIN, see the Instructions for Form SS-4. If you do not have an EIN, leave line D blank.

Line E

Material participation. For the definition of material participation for purposes of the passive activity rules, see the instructions for Schedule C, line G, that begin on page C-2. If you meet any of the material participation tests described in those instructions, check the "Yes" box.

If you are a retired or disabled farmer, you are treated as materially participating in a farming business if you materially participated 5 of the 8 years preceding your retirement or disability. Also, a surviving spouse is treated as materially participating in a farming activity if he or she actively manages the farm and the real property used for farming meets the estate tax rules for special valuation of farm property passed from a qualifying decedent.

Check the "No" box if you did not materially participate. If you checked "No" and you have a loss from this business, see *Limit on passive losses* below. If you have a profit from this business activity but have current year losses from other passive activities or prior year unallowed passive activity losses, see the Instructions for Form 8582.

Limit on passive losses. If you checked the "No" box and you have a loss from this business, you may have to use Form 8582 to figure your allowable loss, if any, to enter on Schedule F, line 36. Generally, you can deduct losses from passive activities only to the extent of income from passive activities. For details, see Pub. 925.

Part I. Farm Income—Cash Method

In Part I, show income received for items listed on lines 1 through 10. Generally, include both the cash actually or constructively received and the fair market value of goods or other property received for these items. Income is constructively received when it is credited to your account or set aside for you to use. However, direct payments or counter-cyclical payments received under the Farm Security and Rural Investment Act of 2002 are required to be included in income only in the year of actual receipt.

If you ran the farm yourself and received rents based on crop shares or farm production, report these rents as income on line 4.

Sales of livestock because of weather-related conditions. If you sold livestock because of drought, flood, or other weather-related conditions, you can elect to report the income from the sale in the year after the year of sale if all of the following apply.

- Your main business is farming.
- You can show that you sold the livestock only because of weather-related conditions.
- Your area qualified for federal aid.

See Pub. 225 for details.

Chapter 11 bankruptcy. If you were a debtor in a chapter 11 bankruptcy case during 2006, see page 22 in the instructions for Form 1040 and page SE-2 of the instructions for Schedule SE (Form 1040).

Forms 1099 or CCC-1099-G. If you received Forms 1099 or CCC-1099-G showing amounts paid to you, first determine if the amounts are to be included with farm income. Then, use the following chart to determine where to report the income on Schedule F. Include the Form 1099 or CCC-1099-G amounts in the total amount reported on that line.

Form	Where to report
1099-PATR	Line 5a
1099-A	Line 7b
1099-MISC for crop insurance	Line 8a
1099-G or CCC-1099-G	
• for disaster payments	Line 8a
• for other agricultural program payments	Line 6a

You may also receive Form 1099-MISC for other types of income. In this case, report it on whichever line best describes the income. For example, if you received a Form 1099-MISC for custom farming work, include this amount on line 9, "Custom hire (machine work) income."

Lines 5a and 5b

If you received distributions from a cooperative in 2006, you should receive Form 1099-PATR. On line 5a, show your total distributions from cooperatives. This includes patronage dividends, nonpatronage distributions, per-unit retain allocations, and redemption of nonqualified notices and per-unit retain allocations.

Show patronage dividends received in cash and the dollar amount of qualified written notices of allocation. If you received property as patronage dividends, report the fair market value of the property as

income. Include cash advances received from a marketing cooperative. If you received per-unit retains in cash, show the amount of cash. If you received qualified per-unit retain certificates, show the stated dollar amount of the certificates.

Do not include as income on line 5b patronage dividends from buying personal or family items, capital assets, or depreciable assets. Enter these amounts on line 5a only. Because you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items.

Lines 6a and 6b

Enter on line 6a the total of the following amounts.

- Direct payments.
- Counter-cyclical payments.
- Price support payments.
- Market gain from the repayment of a secured Commodity Credit Corporation (CCC) loan for less than the original loan amount.
- Diversion payments.
- Cost-share payments (sight drafts).
- Payments in the form of materials (such as fertilizer or lime) or services (such as grading or building dams).

These amounts are government payments you received, usually reported to you on Form 1099-G. You may also receive Form CCC-1099-G from the Department of Agriculture showing the amounts and types of payments made to you.

On line 6b, report only the taxable amount. For example, do not report the market gain shown on Form CCC-1099-G on line 6b if you elected to report CCC loan proceeds as income in the year received (see *Lines 7a Through 7c* below). No gain results from redemption of the commodity because you previously reported the CCC loan proceeds as income. You are treated as repurchasing the commodity for the amount of the loan repayment. However, if you did not report the CCC loan proceeds under the election, you must report the market gain on line 6b.

Lines 7a Through 7c

Commodity Credit Corporation (CCC) loans. Generally, you do not report CCC loan proceeds as income. However, if you pledge part or all of your production to secure a CCC loan, you can elect to report the loan proceeds as income in the year you receive them, instead of the year you sell the crop. If you make this election (or made the election in a prior year), report loan proceeds you received in 2006 on line 7a. Attach a statement to your return showing the details of the loan(s).

Forfeited CCC loans. Include the full amount forfeited on line 7b, even if you reported the loan proceeds as income. This amount may be reported to you on Form 1099-A.

If you did not elect to report the loan proceeds as income, also include the forfeited amount on line 7c.

If you did elect to report the loan proceeds as income, you generally will not have an entry on line 7c. But if the amount forfeited is different from your basis in the commodity, you may have an entry on line 7c.

See Pub. 225 for details on the tax consequences of electing to report CCC loan proceeds as income or forfeiting CCC loans.

Lines 8a Through 8d

In general, you must report crop insurance proceeds in the year you receive them. Federal crop disaster payments are treated as crop insurance proceeds. However, if 2006 was the year of damage, you can elect to include certain proceeds in income for 2007. To make this election, check the box on line 8c and attach a statement to your return. See Pub. 225 for a description of the proceeds for which an election can be made and for what you must include in your statement.

Generally, if you elect to defer any eligible crop insurance proceeds, you must defer all such crop insurance proceeds (including federal crop disaster payments).

Enter on line 8a the total crop insurance proceeds you received in 2006, even if you elect to include them in income for 2007.

Enter on line 8b the taxable amount of the proceeds you received in 2006. Do not include proceeds you elect to include in income for 2007.

Enter on line 8d the amount, if any, of crop insurance proceeds you received in 2005 and elected to include in income for 2006.

Line 10

Use this line to report income not shown on lines 1 through 9, such as the following.

- Illegal federal irrigation subsidies. See Pub. 225.
- Bartering income.
- Income from cancellation of debt. Generally, if a debt is canceled or forgiven, you must include the canceled amount in income. If a federal agency, financial institution, or credit union canceled or forgave a debt you owed of $600 or more, it should send you a Form 1099-C, or similar statement, by January 31, 2007, showing the amount of debt canceled in 2006. However, certain solvent farmers can exclude canceled qualified farm indebtedness from income. To find out if you must include any cancellation of debt in income, see Pub. 225.
- State gasoline or fuel tax refund you received in 2006.
- The amount of credit for federal tax paid on fuels claimed on your 2005 Form 1040.
- The amount of credit for alcohol used as fuel that was claimed on Form 6478.
- The amount of biodiesel and renewable diesel fuels credit that was claimed on Form 8864.
- Any recapture of excess depreciation on a listed property, including any section 179 expense deduction, if the business use percentage of that property decreased to 50% or less in 2006. Use Form 4797 to figure the recapture. See the instructions for Schedule C, line 13, on page C-4 for the definition of listed property.
- The inclusion amount on leased listed property (other than vehicles) when the business use percentage drops to 50% or less. See Pub. 946 to figure the amount.
- Any recapture of the deduction for clean-fuel vehicles used in your farming business and clean-fuel vehicle refueling property. For details on how to figure recapture, see Pub. 535.
- The gain or loss on the sale of commodity futures contracts if the contracts were made to protect you from price changes. These are a form of business insurance and are considered hedges. If you had a loss in a closed futures contract, enclose it in parentheses.

CAUTION *For property acquired and hedging positions established, you must clearly identify on your books and records both the hedging transaction and the item(s) or aggregate risk that is being hedged.*

Purchase or sales contracts are not true hedges if they offset losses that already occurred. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, report the profit or loss on Form 6781 instead of this line.

Part II. Farm Expenses

Do not deduct the following.

- Personal or living expenses (such as taxes, insurance, or repairs on your home) that do not produce farm income.
- Expenses of raising anything you or your family used.
- The value of animals you raised that died.
- Inventory losses.
- Personal losses.

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the deduction.

Capitalizing costs of property. If you produced real or tangible personal property or acquired property for resale, certain expenses must be included in inventory costs or capitalized. These expenses include the direct costs of the property and the share of any indirect costs allocable to that property. However, these rules generally do not apply to expenses of:

1. Producing any plant that has a preproductive period of 2 years or less,
2. Raising animals, or
3. Replanting certain crops if they were lost or damaged by reason of freezing temperatures, disease, drought, pests, or casualty.

CAUTION *Exceptions (1) and (2) do not apply to tax shelters, farming syndicates, partnerships, or corporations required to use the accrual method of accounting under section 447 or 448(a)(3).*

If you capitalize your expenses, do not reduce your deductions on lines 12 through 34e by the capitalized expenses. Instead, enter the total amount capitalized in parentheses on line 34f. See *Preproductive period expenses* on page F-6 for details.

But you may be able to currently deduct rather than capitalize the expenses of producing a plant with a preproductive period of more than 2 years. See *Election to deduct certain preproductive period expenses* below.

Election to deduct certain preproductive period expenses. If the preproductive period of any plant you produce is more than 2 years, you can elect to currently deduct the expenses rather than capitalize them. But you cannot make this election for the costs of planting or growing citrus or almond groves that are incurred before the end of the 4th tax year beginning with the tax year you planted them in their permanent grove. You are treated as having made the election by deducting the preproductive period expenses in the first tax year for which you can make this election.

CAUTION *In the case of a partnership or S corporation, the election must be made by the partner, shareholder, or member. This election cannot be made by tax shelters, farming syndicates, partnerships, or corporations required to use the accrual method of accounting under section 447 or 448(a)(3).*

If you make the election to deduct preproductive expenses for plants, any gain you realize when disposing of the plants is ordinary income up to the amount of the preproductive expenses you deducted. Also, the alternative depreciation rules apply to property placed in service in any tax year your election is in effect. Unless you obtain IRS consent, you must make this election for the first tax year in which you engage in a farming business involving the production of property subject to the capitalization rules. You cannot revoke this election without IRS consent.

For details, see Pub. 225.

Prepaid farm supplies. Generally, if you use the cash method of accounting and your prepaid farm supplies are more than 50% of your other deductible farm expenses, your deduction for those supplies may be limited. Prepaid farm supplies include expenses for feed, seed, fertilizer, and similar farm supplies not used or consumed during the year. They also include the cost of poultry that would be allowable as a deduction in a later tax year if you were to (a) capitalize the cost of poultry bought for use in your farming business and deduct it ratably over the lesser of 12 months or the useful life of the poultry, and (b) deduct the cost of poultry bought for resale in the year you sell or otherwise dispose of it.

If the limit applies, you can deduct prepaid farm supplies that do not exceed 50% of your other deductible farm expenses in the year of payment. You can deduct the excess only in the year you use or consume the supplies (other than poultry, which is deductible as explained above). For details and exceptions to these rules, see Pub. 225.

Line 12

You can deduct the actual expenses of running your car or truck or take the standard mileage rate. You must use actual expenses if you used your vehicle for hire or you used five or more vehicles simultaneously in your farming business (such as in fleet operations). You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

You can take the standard mileage rate for 2006 only if you:

- Owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or
- Leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

If you deduct actual expenses:

- Include on line 12 the business portion of expenses for gasoline, oil, repairs, insurance, tires, license plates, etc., and
- Show depreciation on line 16 and rent or lease payments on line 26a.

If you take the standard mileage rate, multiply the number of business miles driven by 44.5 cents. Add to this amount your parking fees and tolls, and enter the total on line 12. Do not deduct depreciation, rent or lease payments, or your actual operating expenses.

If you claim any car or truck expenses (actual or the standard mileage rate), you must provide the information requested on Form 4562, Part V. Be sure to attach Form 4562 to your return.

For details, see Pub. 463.

Line 14

Deductible soil and water conservation expenses generally are those that are paid to conserve soil and water or to prevent erosion of land used for farming. These expenses include (but are not limited to) the cost of leveling, grading and terracing, contour furrowing, the construction, control, and protection of diversion channels, drainage ditches, earthen dams, watercourses, outlets and ponds, the eradication of brush, and the planting of windbreaks.

These expenses can be deducted only if they are consistent with a conservation plan approved by the Natural Resources Conservation Service of the Department of Agriculture for the area in which your land is located. If no plan exists, the expenses must be consistent with a plan of a comparable state agency. You cannot deduct the expenses if they were paid or incurred for land used in farming in a foreign country.

Do not deduct expenses you paid or incurred to drain or fill wetlands, to prepare land for center pivot irrigation systems, or to clear land.

Your deduction cannot exceed 25% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, the excess can be carried forward and deducted in later tax years. However, the amount deductible for any 1 year cannot exceed the 25% gross income limit for that year.

For details, see Pub. 225.

Line 15

Enter amounts paid for custom hire or machine work (the machine operator furnished the equipment).

Do not include amounts paid for rental or lease of equipment that you operated yourself. Instead, report those amounts on line 26a.

Line 16

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature.

Do not deduct depreciation on your home, furniture or other personal items,

land, livestock you bought or raised for resale, or other property in your inventory.

You can also elect under section 179 to expense a portion of the cost of certain property you bought in 2006 for use in your farming business. The section 179 election is made on Form 4562.

For information about depreciation and the section 179 deduction, see Pub. 946.

For details on the increased depreciation and section 179 deductions for qualified property in the GO Zone, see Pub. 225.

See the Instructions for Form 4562 for information on when you must complete and attach Form 4562.

Line 17

Deduct contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 25. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs. If you made contributions on your behalf as a self-employed person to a dependent care assistance program, complete Form 2441, Parts I and III, to figure your deductible contributions to that program.

Contributions you made on your behalf as a self-employed person to an accident and health plan or for group-term life insurance are not deductible on Schedule F. However, you may be able to deduct on Form 1040, line 29 (or on Form 1040NR, line 28), the amount you paid for health insurance on behalf of yourself, your spouse, and dependents even if you do not itemize your deductions. See the instructions for Form 1040, line 29, for details.

Line 18

If you use the cash method, you cannot deduct when paid the cost of feed your livestock will consume in a later year unless all of the following apply.

- The payment was for the purchase of feed rather than a deposit.
- The prepayment had a business purpose and was not made merely to avoid tax.
- Deducting the prepayment will not materially distort your income.

If all of the above apply, you can deduct the prepaid feed, which is subject to the overall limit for *Prepaid farm supplies* explained on page F-4. If all of the above do not apply, you can deduct the prepaid feed only in the year it is consumed.

Line 20

Do not include the cost of transportation incurred in purchasing livestock held for resale as freight paid. Instead, add these costs to the cost of the livestock, and deduct them when the livestock is sold.

Line 22

Deduct on this line premiums paid for farm business insurance. Deduct on line 17 amounts paid for employee accident and health insurance. Amounts credited to a reserve for self-insurance or premiums paid for a policy that pays for your lost earnings due to sickness or disability are not deductible.

Lines 23a and 23b

Interest allocation rules. The tax treatment of interest expense differs depending on its type. For example, home mortgage interest and investment interest are treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted on the correct line of your return and receives the right tax treatment. These rules could affect how much interest you are allowed to deduct on Schedule F.

Generally, you allocate interest expense by tracing how the proceeds of the loan are used. See Pub. 535 for details.

If you paid interest on a debt secured by your main home and any of the proceeds from that debt were used in your farming business, see Pub. 535 to figure the amount to include on lines 23a and 23b.

How to report. If you have a mortgage on real property used in your farming business (other than your main home), enter on line 23a the interest you paid for 2006 to banks or other financial institutions for which you received a Form 1098 (or similar statement). If you did not receive a Form 1098, enter the interest on line 23b.

If you paid more mortgage interest than is shown on Form 1098, see Pub. 535 to find out if you can deduct the additional interest. If you can, include the amount on line 23a. Attach a statement to your return explaining the difference and enter "See attached" in the margin next to line 23a.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098, include your share of the interest on line 23b. Attach a statement to your return showing the name and address of the person who received the Form 1098. In the margin next to line 23b, enter "See attached."

Do not deduct interest you prepaid in 2006 for later years; include only the part that applies to 2006.

Line 24

Enter the amounts you paid for farm labor. Do not include amounts paid to yourself. Reduce your deduction by the amounts claimed on:

- Form 5884, Work Opportunity Credit, line 2;
- Form 5884-A, Credits for Employers Affected by Hurricane Katrina, Rita, or Wilma, line 6;
- Form 8844, Empowerment Zone and Renewal Community Employment Credit, line 2; and
- Form 8861, Welfare-to-Work Credit, line 2.

Include the cost of boarding farm labor but not the value of any products they used from the farm. Include only what you paid household help to care for farm laborers.

CAUTION *If you provided taxable fringe benefits to your employees, such as personal use of a car, do not include in farm labor the amounts you depreciated or deducted elsewhere.*

Line 25

Enter your deduction for contributions to employee pension, profit-sharing, or annuity plans. If the plan included you as a self-employed person, enter contributions made as an employer on your behalf on Form 1040, line 28 (or on Form 1040NR, line 27), not on Schedule F.

Generally, you must file the applicable form listed below if you maintain a pension, profit-sharing, or other funded-deferred compensation plan. The filing requirement is not affected by whether or not the plan qualified under the Internal Revenue Code, or whether or not you claim a deduction for the current tax year. There is a penalty for failure to timely file these forms.

Form 5500-EZ. File this form for a one-participant plan. A one-participant plan is a plan that only covers you (or you and your spouse).

Form 5500. File this form for a plan that is not a one-participant plan.

For details, see Pub. 560.

Lines 26a and 26b

If you rented or leased vehicles, machinery, or equipment, enter on line 26a the business portion of your rental cost. But if you leased a vehicle for a term of 30 days or more, you may have to reduce your deduction by an inclusion amount. See *Leasing a Car* in Pub. 463 to figure your inclusion amount.

Enter on line 26b amounts paid to rent or lease other property such as pasture or farmland.

Line 27

Enter amounts you paid for repairs and maintenance of farm buildings, machinery, and equipment. You can also include what you paid for tools of short life or minimal cost, such as shovels and rakes.

Do not deduct repairs or maintenance on your home.

Line 31

You can deduct the following taxes on this line.

- Real estate and personal property taxes on farm business assets.
- Social security and Medicare taxes you paid to match what you are required to withhold from farm employees' wages and any federal unemployment tax paid.
- Federal highway use tax.

Do not deduct the following taxes on this line.

- Federal income taxes, including your self-employment tax. However, you can deduct one-half of your self-employment tax on Form 1040, line 27.
- Estate and gift taxes.
- Taxes assessed for improvements, such as paving and sewers.
- Taxes on your home or personal use property.
- State and local sales taxes on property purchased for use in your farming business. Instead, treat these taxes as part of the cost of the property.
- Other taxes not related to your farming business.

Line 32

Enter amounts you paid for gas, electricity, water, and other utilities for business use on the farm. Do not include personal utilities. You cannot deduct the base rate (including taxes) of the first telephone line into your residence, even if you use it for your farming business. But you can deduct expenses you paid for your farming business that are more than the cost of the base rate for the first phone line. For example, if you had a second phone line, you can deduct the business percentage of the charges for that line, including the base rate charges.

Lines 34a Through 34f

Include all ordinary and necessary farm expenses not deducted elsewhere on Schedule F, such as advertising, office supplies, etc. Do not include fines or penalties paid to a government for violating any law.

At-risk loss deduction. Any loss from this activity that was not allowed as a deduction last year because of the at-risk rules is treated as a deduction allocable to this activity in 2006. However, for the loss to be deductible, the amount "at risk" must be increased.

Bad debts. See Pub. 535.

Business start-up costs. If your business began in 2006, you can elect to deduct up to $5,000 of certain business start-up costs. This limit is reduced (but not below zero) by the amount by which your start-up costs exceed $50,000. You can elect to amortize any remaining qualified business start-up costs over 180 months. For details, see Pub. 225. For amortization that begins in 2006, you must complete and attach Form 4562.

Business use of your home. You may be able to deduct certain expenses for business use of your home, subject to limitations. Use the worksheet in Pub. 587 to figure your allowable deduction. Do not use Form 8829.

Forestation and reforestation costs. Reforestation costs are generally capital expenditures. However, for each qualified timber property you can elect to expense up to $10,000 ($5,000 if married filing separately) of qualifying reforestation costs paid or incurred in 2006. This limit is increased for small timber producers with qualified timber property located in the GO Zone, the Rita GO Zone, or the Wilma GO Zone. For GO Zone information, see Pub. 4492.

You can elect to amortize the remaining costs over 84 months.

The amortization election does not apply to trusts and the expense election does not apply to estates and trusts. For details on reforestation expenses, see Pub. 225. For amortization that begins in 2006, you must complete and attach Form 4562.

GO Zone clean-up costs. You can deduct 50% of any qualified GO Zone clean-up costs paid or incurred in 2006 for the removal of debris from, or the demolition of structures on, real property located in the GO Zone that is used in your farming business. The rest of the GO Zone clean-up costs must be capitalized. See Pub. 4492 for the areas included in the GO Zone and the applicable dates for this deduction.

Legal and professional fees. You can deduct on this line fees for tax advice related to your farming business and for the preparation of the tax forms related to your farming business.

Travel, meals, and entertainment. Generally, you can deduct expenses for farm business travel and 50% of your business meals and entertainment. But there are exceptions and limitations. See the instructions for Schedule C, lines 24a and 24b, that begin on page C-5.

Preproductive period expenses. If you had preproductive period expenses in 2006 that you are capitalizing, enter the total of these expenses in parentheses on line 34f and enter "263A" in the space to the left of the total.

For details, see page F-4, *Capitalizing costs of property*, and Pub. 225.

Line 35

If line 34f is a negative amount, subtract the amount on line 34f from the total of lines 12 through 34e. Enter the result on line 35.

Line 36

If you have a loss, the amount of loss you can deduct this year may be limited. Individuals, estates, and trusts must complete line 37 before entering the loss on line 36. If you checked the "No" box on Schedule F, line E, also see the Instructions for Form 8582.

Enter the net profit or deductible loss here and on Form 1040, line 18, and Schedule SE, line 1. Nonresident aliens—enter the net profit or deductible loss here and on Form 1040NR, line 19. Estates and trusts—enter the net profit or deductible loss here and on Form 1041, line 6. Partnerships—do not complete line 37; instead, stop here and enter the profit or loss on this line and on Form 1065, line 5 or Form 1065-B, line 7).

If you have a net profit on line 36, this amount is earned income and may qualify you for the earned income credit if you meet certain conditions. See the instructions for Form 1040, lines 66a and 66b, for details.

Line 37

At-risk rules. Generally, if you have a loss from a farming activity and amounts invested in the activity for which you are not at risk, you must complete Form 6198 to figure your allowable loss. The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the activity.

Check box 37b if you have amounts invested in this activity for which you are not at risk, such as the following.

- Nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire the activity that are not secured by your own property (other than property used in the activity). However, there is an exception for certain nonrecourse financing borrowed by you in connection with holding real property.

• Cash, property, or borrowed amounts used in the activity (or contributed to the activity, or used to acquire the activity) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casualty insurance and insurance against tort liability).

• Amounts borrowed for use in the activity from a person who has an interest in the activity, other than as a creditor, or who is related under section 465(b)(3) to a person (other than you) having such an interest.

Figuring your deductible loss. If all amounts are at risk in this activity, check box 37a. If you checked the "Yes" box on line E, enter your loss on line 36. But if you checked the "No" box on line E, you may need to complete Form 8582 to figure your allowable loss to enter on line 36. See the Instructions for Form 8582.

If you checked box 37b, see Form 6198 to determine the amount of your deductible loss. If you checked the "Yes" box on line E, enter that amount on line 36. But if you checked the "No" box on line E, your loss may be further limited. See the Instructions for Form 8582. If your at-risk amount is zero or less, enter -0- on line 36. Be sure to attach Form 6198 to your return. If you checked box 37b and you do not attach Form 6198, the processing of your tax return may be delayed.

Any loss from this activity not allowed for 2006 because of the at-risk rules is treated as a deduction allocable to the activity in 2007.

For details, see Pub. 925 and the Instructions for Form 6198.

Part III. Farm Income—Accrual Method

If you use an accrual method, report farm income when you earn it, not when you receive it. Generally, you must include animals and crops in your inventory if you use this method. See Pub. 225 for exceptions, inventory methods, how to change methods of accounting, and for rules that require certain costs to be capitalized or included in inventory.

Chapter 11 bankruptcy. If you were a debtor in a chapter 11 bankruptcy case during 2006, see page 22 of the instructions for Form 1040 and page SE-2 of the instructions for Schedule SE (Form 1040).

Lines 39a Through 41c

See the instructions for lines 5a through 7c that begin on page F-2.

Line 44

See the instructions for line 10 on page F-3.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is approved under OMB control numbers 1545-1975 and 1545-1976 and is shown below.

Recordkeeping	7 hr., 5 min.
Learning about the law or the form	1 hr., 2 min.
Preparing the form	2 hr., 52 min.
Copying, assembling, and sending the form to the IRS	40 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Department of the Treasury
Internal Revenue Service

2006 Instructions for Schedule J

Income Averaging for Farmers and Fishermen

Use Schedule J (Form 1040) to elect to figure your 2006 income tax by averaging, over the previous 3 years (base years), all or part of your 2006 taxable income from your trade or business of farming or fishing. This election may give you a lower tax if your 2006 income from farming or fishing is high and your taxable income for one or more of the 3 prior years was low.

In order to qualify for this election, you are not required to have been in the business of farming or fishing during any of the base years.

You may elect to average farming or fishing income even if your filing status was not the same in the election year and the base years.

This election does not apply when figuring your alternative minimum tax on Form 6251. Also, you do not have to recompute, because of this election, the tax liability of any minor child who was required to use your tax rates in the prior years.

General Instructions

Prior Year Tax Returns

You may need copies of your original or amended income tax returns for 2003, 2004, and 2005 to figure your tax on Schedule J.

If you do not have copies of those returns, you can get them by filing Form 4506. There is a $39 fee for each return requested. If your main home, principal place of business, or tax records are located in a Presidentially declared disaster area, the fee will be waived if the assigned disaster designation (for example, "Hurricane Katrina") is written in red across the top of Form 4506 when filed. If you want a free transcript of your tax return, use Form 4506-T. See your Form 1040 instruction booklet to find out how to get these forms.

Keep a copy of your 2006 income tax return to use for income averaging in 2007, 2008, or 2009.

Definitions

Farming business. A farming business is the trade or business of cultivating land or raising or harvesting any agricultural or horticultural commodity. This includes:

1. Operating a nursery or sod farm;
2. Raising or harvesting of trees bearing fruits, nuts, or other crops;
3. Raising ornamental trees (but not evergreen trees that are more than 6 years old when severed from the roots);
4. Raising, shearing, feeding, caring for, training, and managing animals; and
5. Leasing land to a tenant engaged in a farming business, but only if the lease payments are (a) based on a share of the tenant's production (not a fixed amount), and (b) determined under a written agreement entered into before the tenant begins significant activities on the land.

A farming business does not include:

• Contract harvesting of an agricultural or horticultural commodity grown or raised by someone else, or

• Merely buying or reselling plants or animals grown or raised by someone else.

Fishing business. A fishing business is the trade or business of fishing in which the fish harvested, either in whole or in part, are intended to enter commerce or enter commerce through sale, barter, or trade. This includes:

1. The catching, taking, or harvesting of fish;
2. The attempted catching, taking, or harvesting of fish;
3. Any other activity which can reasonably be expected to result in the catching, taking, or harvesting of fish; or
4. Any operations at sea in support of, or in preparation for, any activity described in (1) through (3) above.

CAUTION

At the time these instructions went to print, there were pending Regulations that could change the definition of a fishing business.

The word fish means finfish, mollusks, crustaceans, and all other forms of marine animal and plant life other than marine mammals and birds.

A fishing business does not include any scientific research activity which is conducted by a scientific research vessel.

Additional Information

See Pub. 225 and Regulations section 1.1301-1 for more information.

Specific Instructions

Line 2

Elected Farm Income

To figure your elected farm income, first figure your taxable income from farming or fishing. This includes all income, gains, losses, and deductions attributable to any farming or fishing business. Include the deduction for one-half of self-employment tax only to the extent that deduction is attributable to your farming or fishing business. However, it does not include gain from the sale or other disposition of land.

You should find your income, gains, losses and deductions from farming or fishing reported on different tax forms, such as:

• Form 1040, line 7, income from wages and other compensation you received as a shareholder in an S corporation engaged in a farming or fishing business;

• Schedule C or C-EZ;

• Schedule D;

• Schedule E, Part II;

• Schedule F;

• Form 4797; and

• Form 4835.

Your elected farm income is the amount of your taxable income from farming or fishing that you elect to include on line 2. However, you do not have to include all of your taxable income from farming or fishing on line 2. It may be to your advantage to include less than the entire amount, depending on how the amount you include on line 2 affects your tax bracket for the current and prior 3 tax years.

Cat. No. 25514J

Your elected farm income cannot exceed your taxable income. Also, the portion of your elected farm income treated as a net capital gain cannot exceed the smaller of your total net capital gain or your net capital gain attributable to your farming or fishing business. If your elected farm income includes net capital gain, you must allocate an equal portion of the net capital gain to each of the base years. If, for any base year, you had a capital loss that resulted in a capital loss carryover to the next tax year, do not reduce the elected farm income allocated to that base year by any part of the carryover.

Line 4

Figure the tax on the amount on line 3 using the 2006 Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet, or Foreign Earned Income Tax Worksheet from the 2006 Instructions for Form 1040. The tax can also be figured on the Schedule D Tax Worksheet in the 2006 Instructions for Schedule D. Enter the tax on line 4.

If you use the Foreign Earned Income Tax Worksheet, enter the amount from Schedule J, line 3, on line 3 of the worksheet. Do not complete lines 1 and 2 of the worksheet.

Line 5

If you used Schedule J to figure your tax for 2005 (that is, you entered the amount from the 2005 Schedule J, line 22, on your 2005 Form 1040, line 44, or on Form 1040X), enter on line 5 the amount from your 2005 Schedule J, line 11. If you used Schedule J to figure your tax for 2004 but not 2005, enter on line 5 the amount from your 2004 Schedule J, line 15. If you used Schedule J to figure your tax for 2003 but not 2004 nor 2005, enter on line 5 the amount from your 2003 Schedule J, line 3.

If you figured your tax for 2003, 2004, and 2005 without using Schedule J, enter on line 5 the taxable income from your 2003 tax return (or as previously adjusted by the IRS, an amended return, etc.). But if that amount is zero or less, complete the worksheet below to figure the amount to enter on line 5.

If you filed your 2003 tax return using TeleFile, enter the taxable income from your TeleFile Tax Record. If you did not file a tax return for 2003, use the amount you would have reported as your taxable income had you been required to file a tax return. Be sure to keep all your records for 2003 for at least 3 years after April 16, 2007 (or the date you file your 2006 tax return, if later).

Instructions for 2003 Taxable Income Worksheet

Line 2. Any net capital loss deduction on your 2003 Schedule D, line 18, is not allowed for income averaging purposes to the extent it did not reduce your capital loss carryover to 2004. This could happen if the taxable income before subtracting exemptions—shown on your 2003 Form 1040, line 38 (or as previously adjusted)—was less than zero. Enter on Schedule J, line 2, the amount by which your 2003 capital loss carryover to 2004 (the sum of your short- and long-term capital loss carryovers) exceeds the excess of the loss on your 2003 Schedule D, line 17a, over the loss on your 2003 Schedule D, line 18. If you had any net operating loss (NOL) carrybacks to 2003, be sure you refigured your 2003 capital loss carryover to 2004.

Line 3. If you had an NOL for 2003, enter the amount of that NOL from line 27 of the 2003 Form 1045, Schedule A, you filed with Form 1045 or Form 1040X. If you did not have an NOL for 2003, enter the portion, if any, of the NOL carryovers and carrybacks to 2003 that were not used in 2003 and were carried to years after 2003.

Example. John Farmington did not use income averaging for 2003, 2004, nor 2005. For 2006, John has $18,000 of elected farm income on line 2. The taxable income before subtracting exemptions on his 2003 Form 1040, line 38, is $4,050. A deduction for exemptions of $3,050 is shown on line 39, and line 40, taxable income, is $1,000. However, John had a $22,100 NOL in 2004, $9,000 of which was remaining to carry to 2003 after the NOL was carried back to 2002. To complete line 1 of the worksheet, John combines the $9,000 NOL deduction with the $1,000 from his 2003 Form 1040, line 40. The result is a negative $8,000, John's 2003 taxable income, which he enters as a positive amount on line 1 of the 2003 worksheet.

When John filed his 2003 tax return, he had a $3,000 net capital loss deduction on Schedule D, line 18 (which was also entered on Form 1040, line 13a), a $7,000 loss on Schedule D, line 17a, and a $4,000 capital loss carryover to 2004. However, when John carried back the 2004 NOL to 2003, he refigured his 2003 capital loss carryover to 2004 as $7,000. John adds the $3,000 from Schedule D, line 18, and the $7,000 carryover. He subtracts from the result the $7,000 loss on his Schedule D, line 17a, and enters $3,000 on line 2 of the worksheet.

John had $1,000 of taxable income in 2003 that reduced the 2004 NOL carryback. The $3,050 of exemptions and $3,000 net capital loss deduction also reduced the amount of the 2004 NOL carryback. Therefore, only $1,950 was available to carry to 2005 and later years, as shown on line 9 of his 2004 Form 1045, Schedule B. John enters the $1,950 on line 3 of the worksheet, and $4,950 on line 4. He then subtracts the $4,950 from the $8,000 on line 1 and enters the result, $3,050, on line 5 of the worksheet. He enters a negative $3,050 on Schedule J, line 5. He combines that amount with the $6,000 on Schedule J, line 6, and enters $2,950 on Schedule J, line 7.

2003 Taxable Income Worksheet—Line 5

Keep for Your Records

Complete this worksheet if you did not use Schedule J to figure your tax for both 2004 and 2005 **and** your 2003 taxable income was zero or less. See the instructions above before completing this worksheet.

1. Figure the taxable income from your 2003 tax return (or as previously adjusted) without limiting it to zero. If you had an NOL for 2003, **do not** include any NOL carryovers or carrybacks to 2003. Enter the result as a positive amount		1.
2. If there is a loss on your 2003 Schedule D, line 18, add that loss (as a positive amount) and your 2003 capital loss carryover to 2004. Subtract from that sum the amount of the loss on your 2003 Schedule D, line 17a, and enter the result	2.	
3. If you had an NOL for 2003, enter it as a positive amount. Otherwise, enter as a positive amount the portion, if any, of the NOL carryovers and carrybacks to 2003 that were not used in 2003 and were carried to years after 2003	3.	
4. Add lines 2 and 3		4.
5. Subtract line 4 from line 1. Enter the result as a negative amount on Schedule J, line 5		5.

Line 8

If line 7 is zero, enter -0- on line 8. Otherwise, figure the tax on the amount on line 7 using:

- The 2003 Tax Rate Schedules below,
- The 2003 Qualified Dividends and Capital Gain Tax Worksheet on the next page, or
- Part IV of the Schedule D you filed for 2003 (but use the 2003 Tax Rate Schedules below instead of the 2003 Tax Table when figuring the tax on lines 50 and 52 of Schedule D, Part IV, or on lines 48 and 50 of the Schedule D Tax Worksheet in the Schedule D instructions.

2003 Tax Rate Schedules—Line 8

Schedule X—Use if your **2003** filing status was **Single**

If Schedule J, line 7, is *Over—*	*But not over*	Enter on Schedule J, line 8		*of the amount over—*
$0	$7,000		10%	$0
7,000	28,400	$700.00 +	15%	7,000
28,400	68,800	3,910.00 +	25%	28,400
68,800	143,500	14,010.00 +	28%	68,800
143,500	311,950	34,926.00 +	33%	143,500
311,950	. .	90,514.50 +	35%	311,950

Schedule Y-1—Use if your **2003** filing status was **Married filing jointly** or **Qualifying widow(er)**

If Schedule J, line 7, is *Over—*	*But not over—*	Enter on Schedule J, line 8		*of the amount over—*
$0	$14,000		10%	$0
14,000	56,800	$1,400.00 +	15%	14,000
56,800	114,650	7,820.00 +	25%	56,800
114,650	174,700	22,282.50 +	28%	114,650
174,700	311,950	39,096.50 +	33%	174,700
311,950		84,389.00 +	35%	311,950

Schedule Y-2—Use if your **2003** filing status was **Married filing separately**

If Schedule J, line 7, is: *Over—*	*But not over—*	Enter on Schedule J, line 8		*of the amount over—*
$0	$7,000		10%	$0
7,000	28,400	$700.00 +	15%	7,000
28,400	57,325	3,910.00 +	25%	28,400
57,325	87,350	11,141.25 +	28%	57,325
87,350	155,975	19,548.25 +	33%	87,350
155,975		42,194.50 +	35%	155,975

Schedule Z—Use if your **2003** filing status was **Head of household**

If Schedule J, line 7, is: *Over—*	*But not over—*	Enter on Schedule J, line 8		*of the amount over—*
$0	$10,000		10%	$0
10,000	38,050	$1,000.00 +	15%	10,000
38,050	98,250	5,207.50 +	25%	38,050
98,250	159,100	20,257.50 +	28%	98,250
159,100	311,950	37,295.50 +	33%	159,100
311,950		87,736.00 +	35%	311,950

2003 Qualified Dividends and Capital Gain Tax Worksheet—Line 8

Keep for Your Records

Use this worksheet **only** if

- You entered (a) qualified dividends on your 2003 Form 1040, line 9b, (or your 2003 Form 1040A, line 9b), or (b) capital gain distributions directly on your 2003 Form 1040, line 13a (or your 2003 Form 1040A, line 10a) and checked the box on that line, **and**
- Your elected farm income on Schedule J, lines 5 and 6, does not include any net capital gain.

1.	Amount from Schedule J, line 7		1.
2.	Enter the total of the amounts from your 2003 Form 1040, lines 9b and 13a (or Form 1040A, lines 9b and 10a)	2.	
3.	Amount, if any, from your 2003 Form 4952, line 4g	3.	
4.	Subtract line 3 from 2. If zero or less, enter -0-		4.
5.	Enter the **smaller** of: • The amount on line 1 above or • $56,800 if married filing jointly or qualifying widow(er) for 2003, $28,400 if single or married filing separately, or $38,050 if head of household.		5.
6.	Subtract line 4 from line 1. If zero or less, enter -0-		6.
7.	Subtract line 6 from line 5. If zero or less, enter -0- and go to line 13		7.
8.	Enter the total of the amounts from your 2003 Form 1040, lines 9b and 13b (or Form 1040A, lines 9b and 10b)	8.	
9.	Enter the **smaller** of line 7 or 8		9.
10.	Multiply line 8 by 5% (.05)		10.
11.	Subtract line 9 from line 7. If zero, go to line 13		11.
12.	Multiply line 11 by 10% (.10)		12.
13.	Enter the **smaller** of line 1 or line 4		13.
14.	Enter the amount from line 7		14.
15.	Subtract line 14 from line 13. If zero or less, enter -0- and go to line 23		15.
16.	Enter the total of the amounts from your 2003 Form 1040, lines 9b and 13b (or Form 1040A, lines 9b and 10b)	16.	
17.	Enter the amount from line 9 (if line 9 is blank, enter -0-)	17.	
18.	Subtract line 17 from line 16	18.	
19.	Enter the **smaller** of line 15 or line 18		19.
20.	Multiply line 19 by 15% (.15)		20.
21.	Subtract line 19 from line 15. If zero, go to line 23		21.
22.	Multiply line 21 by 20% (.20)		22.
23.	Figure the tax on the amount on line 6. Use the 2003 Tax Rate Schedules on page J-3		23.
24.	Add lines 10, 12, 20, 22, and 23		24.
25.	Figure the tax on the amount on line 1. Use the 2003 Tax Rate Schedules on page J-3		25.
26.	**Tax.** Enter the **smaller** of line 24 or line 25 here and on Schedule J, line 8		26.

Line 9

If you used Schedule J to figure your tax for 2005 (that is, you entered the amount from the 2005 Schedule J, line 22, on your 2005 Form 1040, line 44, or on Form 1040X), enter on line 9 the amount from your 2005 Schedule J, line 15. If you used Schedule J to figure your tax for 2004 but not 2005, enter on line 9 the amount from your 2004 Schedule J, line 3.

If you figured your tax for both 2004 and 2005 without using Schedule J, enter on line 9 the taxable income from your 2004 tax return (or as previously adjusted by the IRS, an amended return, etc.). But if that amount is zero or less, complete the worksheet below to figure the amount to enter on line 9.

If you filed your 2004 tax return using TeleFile, enter the taxable income from your TeleFile Tax Record. If you did not file a tax return for 2004, use the amount you would have reported as your taxable income had you been required to file a tax return. Be sure to keep all your records for 2004 until at least 3 years after April 16, 2007 (or the date you file your 2006 tax return, if later).

Instructions for 2004 Taxable Income Worksheet

Line 2. Any net capital loss deduction on your 2004 Schedule D, line 21, is not allowed for income averaging purposes to the extent it did not reduce your capital loss carryover to 2005. This could happen if the taxable income before subtracting exemptions—shown on your 2004 Form 1040, line 40 (or as previously adjusted)—was less than zero. Enter on Schedule J, line 2, the amount by which your 2004 capital loss carryover to 2005 (the sum of your short- and long-term capital loss carryovers) exceeds the excess of the loss on your 2004 Schedule D, line 16, over the loss on your 2004 Schedule D, line 21. If you had any NOL carrybacks to 2004, be sure you refigured your 2004 capital loss carryover to 2005.

Line 3. If you had an NOL for 2004, enter the amount of that NOL from line 24 of the 2004 Form 1045, Schedule A, you filed with Form 1045 or Form 1040X. If you did not have an NOL for 2004, enter the portion, if any, of the NOL carryovers and carrybacks to 2004 that were not used in 2004 and were carried to years after 2004.

Example. John Farmington did not use income averaging for 2003, 2004, nor 2005. The taxable income before subtracting exemptions on his 2004 Form 1040, line 40, is a negative $29,900. A deduction for exemptions of $3,100 is shown on line 41, and line 42, taxable income, is limited to zero. John subtracts from the $29,900 loss the $3,100 deduction for exemptions. The result is a negative $33,000, John's 2004 taxable income, which he enters as a positive amount on line 1 of the 2004 worksheet.

When John filed his 2004 tax return, he had a $3,000 net capital loss deduction on Schedule D, line 21 (which was also entered on Form 1040, line 13), and a $7,000 loss on Schedule D, line 16 (as adjusted). He also had a $7,000 capital loss carryover to 2005. John adds the $3,000 from Schedule D, line 21, and the $7,000 carryover. He subtracts from the result the $7,000 loss on his Schedule D, line 16, and enters $3,000 on line 2 of the worksheet.

John enters $22,100 on line 3 of the worksheet, the 2004 NOL from his 2004 Form 1045, Schedule A, line 24. Of the $33,000 negative taxable income, the $3,100 deduction for exemptions, the $3,000 capital loss deduction, and his $4,850 standard deduction were not allowed in figuring the NOL. John had a $22,100 loss on his 2004 Schedule F, the only other item on his 2004 tax return.

John enters $25,100 on line 4 and $7,900 on line 5. He enters $7,900 as a negative amount on Schedule J, line 9. He enters $6,000 on Schedule J, line 10, and a negative $1,900 on Schedule J, line 11. If he uses Schedule J to figure his tax for 2007, he will enter the negative $1,900 amount on his 2007 Schedule J as his 2004 taxable income for income averaging purposes.

2004 Taxable Income Worksheet—Line 9

Keep for Your Records

Complete this worksheet if you did not use Schedule J to figure your tax for 2005 **and** your 2004 taxable income was zero or less. See the instructions above before completing this worksheet.

1.	Figure the taxable income from your 2004 tax return (or as previously adjusted) without limiting it to zero. If you had an NOL for 2004, **do not** include any NOL carryovers or carrybacks to 2004. Enter the result as a positive amount		1.
2.	If there is a loss on your 2004 Schedule D, line 21, add that loss (as a positive amount) and your 2004 capital loss carryover to 2005. Subtract from that sum the amount of the loss on your 2004 Schedule D, line 16, and enter the result	2.	
3.	If you had an NOL for 2004, enter it as a positive amount. Otherwise, enter as a positive amount the portion, if any, of the NOL carryovers and carrybacks to 2004 that were not used in 2004 and were carried to years after 2004	3.	
4.	Add lines 2 and 3		4.
5.	Subtract line 4 from line 1. Enter the result as a negative amount on Schedule J, line 9		5.

Line 12

If line 11 is zero or less, enter -0- on line 12. Otherwise, figure the tax on the amount on line 11 using:

- The 2004 Tax Rate Schedules below,
- The 2004 Qualified Dividends and Capital Gain Tax Worksheet on page J-7, or
- The 2004 Schedule D Tax Worksheet (but use the 2004 Tax Rate Schedules below instead of the 2004 Tax Table when figuring the tax on the Schedule D Tax Worksheet, lines 34 and 36)

2004 Tax Rate Schedules—Line 12

Schedule X—Use if your **2004** filing status was **Single**

If Schedule J, line 11, is Over—	But not over—	Enter on Schedule J, line 12		of the amount over—
$0	$7,150		10%	$0
7,150	29,050	$715.00 +	15%	7,150
29,050	70,350	4,000.00 +	25%	29,050
70,350	146,750	14,325.00 +	28%	70,350
146,750	319,100	35,717.00 +	33%	146,750
319,100		92,592.50 +	35%	319,100

Schedule Y-1—Use if your **2004** filing status was **Married filing jointly or Qualifying widow(er)**

If Schedule J, line 11, is Over	But not over	Enter on Schedule J, line 12		of the amount over
$0	$14,300		10%	$0
14,300	58,100	$1,430.00 +	15%	14,300
58,100	117,250	8,000.00 +	25%	58,100
117,250	178,650	22,787.50 +	28%	117,250
178,650	319,100	39,979.50 +	33%	178,650
319,100		86,328.00 +	35%	319,100

Schedule Y-2—Use if your **2004** filing status was **Married filing separately**

If Schedule J, line 11, is: Over—	But not over—	Enter on Schedule J, line 12		of the amount over—
$0	$7,150		10%	$0
7,150	29,050	$715.00 +	15%	7,150
29,050	58,625	4,000.00 +	25%	29,050
58,625	89,325	11,393.75 +	28%	58,625
89,325	159,550	19,989.75 +	33%	89,325
159,550		43,164.00 +	35%	159,550

Schedule Z—Use if your **2004** filing status was **Head of household**

If Schedule J, line 11, is: Over	But not over	Enter on Schedule J, line 12		of the amount over
$0	$10,200		10%	$0
10,200	38,900	$1,020.00 +	15%	10,200
38,900	100,500	5,325.00 +	25%	38,900
100,500	162,700	20,725.00 +	28%	100,500
162,700	319,100	38,141.00 +	33%	162,700
319,100		89,753.00 +	35%	319,100

2004 Qualified Dividends and Capital Gain Tax Worksheet—Line 12

Keep for Your Records

Use this worksheet **only** if both of the following apply.

- Your elected farm income on Schedule J, line 2, does not include any net capital gain.
- You **(a)** entered qualified dividends on your 2004 Form 1040, line 9b (or your 2004 Form 1040A, line 9b), **(b)** entered capital gain distributions directly on your 2004 Form 1040, line 13 (or your 2004 Form 1040A, line 10) and checked the box on that line, or **(c)** filed Schedule D in 2004 and you answered "Yes" on lines 17 and 20 of that Schedule D.

1. Amount from Schedule J, line 11 1. _____
2. Amount from Form 1040, line 9b (or Form 1040A, line 9b) 2. _____
3. Did you file Schedule D in 2004?
 - ☐ **Yes.** Enter the **smaller** of line 15 or 16 of your 2004 Schedule D, but do not enter less than -0-
 - ☐ **No.** Enter the amount from Form 1040, line 13 (or Form 1040A, line 10)

 3. _____
4. Add lines 2 and 3 4. _____
5. Amount, if any, from your 2004 Form 4952, line 4g . . . 5. _____
6. Subtract line 5 from line 4. If zero or less, enter -0- 6. _____
7. Subtract line 6 from line 1. If zero or less, enter -0- 7. _____
8. Enter the **smaller** of:
 - The amount on line 1, or
 - $29,050 if single or married filing separately for 2004, $58,100 if married filing jointly or qualifying widow(er), $38,900 if head of household.

 8. _____
9. Is the amount on line 7 equal to or more than the amount on line 8?
 - ☐ **Yes.** Skip lines 9 through 11; go to line 12 and check the "No" box.
 - ☐ **No.** Enter the amount from line 7 9. _____
10. Subtract line 9 from line 8 10. _____
11. Multiply line 10 by 5% (.05) 11. _____
12. Are the amounts on lines 6 and 10 the same?
 - ☐ **Yes.** Skip lines 12 through 15; go to line 16.
 - ☐ **No.** Enter the **smaller** of line 1 or line 6 12. _____
13. Enter the amount from line 10 (if line 10 is blank, enter -0-) 13. _____
14. Subtract line 13 from line 12 14. _____
15. Multiply line 14 by 15% (.15) 15. _____
16. Figure the tax on the amount on line 7. Use the 2004 Tax Rate Schedules on page J-6 16. _____
17. Add lines 11, 15, and 16 17. _____
18. Figure the tax on the amount on line 1. Use the 2004 Tax Rate Schedules on page J-6 18. _____
19. **Tax.** Enter the **smaller** of line 17 or line 18 here and on Schedule J, line 12 19. _____

Line 13

If you used Schedule J to figure your tax for 2005 (that is, you entered the amount from the 2005 Schedule J, line 22, on your 2005 Form 1040, line 44, or on Form 1040X), enter on line 13 the amount from your 2005 Schedule J, line 3.

If you did not use Schedule J to figure your tax for 2005, enter on line 13 the taxable income from your 2005 tax return (or as previously adjusted by the IRS, an amended return, etc.). But if that amount is zero or less, complete the worksheet below to figure the amount to enter on line 13.

If you did not file a tax return for 2005, use the amount you would have reported as your taxable income had you been required to file a tax return. Be sure to keep all your records for 2005 until at least 3 years after April 16, 2007 (or the date you file your 2006 tax return, if later).

Instructions for 2005 Taxable Income Worksheet

Line 2. Any net capital loss deduction on your 2005 Schedule D, line 21, is not allowed for income averaging purposes to the extent it did not reduce your capital loss carryover to 2006. This could happen if the taxable income before subtracting exemptions—shown on your 2005 Form 1040, line 41 (or as previously adjusted)—was less than zero. Enter the amount by which your 2005 capital loss carryover to 2006 (the sum of your short- and long-term capital loss carryovers) exceeds the excess of the loss on your 2005 Schedule D, line 16, over the loss on your 2005 Schedule D, line 21.

Line 3. If you had an NOL for 2005, enter the amount of that NOL from line 25 of the 2005 Form 1045, Schedule A, you filed with Form 1045 or Form 1040X. If you did not have an NOL for 2005, enter the portion, if any, of the NOL carryovers and carrybacks to 2005 that were not used in 2005 and were carried to years after 2005.

Example. John Farmington did not use income averaging for 2003, 2004, nor 2005. The taxable income before subtracting exemptions on his 2005 Form 1040, line 41, is a negative $1,000. This amount includes an NOL deduction on his 2005 Form 1040, line 21, of $1,900. The $1,900 is the portion of the 2004 NOL that was remaining from 2003 to be carried to 2005. See the examples on pages J-2 and J-5. A deduction for exemptions of $3,200 is shown on Form 1040, line 42, and line 43, taxable income, is limited to zero. John does not have an NOL for 2005. John subtracts from the $1,000 negative amount on Form 1040, line 41, the $3,200 deduction for exemptions. The result is a negative $4,200, John's 2005 taxable income, which he enters as a positive amount on line 1 of the 2005 worksheet.

When John filed his 2005 tax return, he had a $3,000 net capital loss deduction on Schedule D, line 21 (which was also entered on Form 1040, line 13), a $7,000 loss on Schedule D, line 16, and a $5,000 capital loss carryover to 2006 (his 2005 capital loss carryover to 2006 was $5,000, not $4,000, because the amount on his Form 1040, line 41, was a negative $1,000). John adds the $3,000 from Schedule D, line 21, and the $5,000 carryover. He subtracts from the result the $7,000 loss on his Schedule D, line 16, and enters $1,000 on line 2 of the worksheet.

John enters -0- on line 3 of the worksheet because he does not have an NOL for 2005 and did not have an NOL carryover from 2005 available to carry to 2006 and later years. The NOL deduction for 2005 of $1,900 was reduced to zero because it did not exceed his modified taxable income of $3,900. Modified taxable income is figured by adding back the $3,000 net capital loss deduction and the $3,200 of exemptions to negative taxable income (figured without regard to the NOL deduction) of $2,300. John enters $1,000 on line 4 and $3,200 on line 5. He enters $3,200 as a negative amount on Schedule J, line 13. He enters $6,000 on Schedule J, line 14, and $2,800 on Schedule J, line 15. If he uses Schedule J to figure his tax for 2007, he will enter $2,800 on his 2007 Schedule J as his 2005 taxable income for income averaging purposes.

Line 16

If line 15 is zero or less, enter -0- on line 16. Otherwise, figure the tax on the amount on line 15 using:

- The 2005 Tax Rate Schedules on page J-9,
- The 2005 Qualified Dividends and Capital Gain Tax Worksheet on page J-10, or
- The 2005 Schedule D Tax Worksheet (but use the 2005 Tax Rate Schedules on page J-9 instead of the 2005 Tax Table when figuring the tax on the Schedule D Tax Worksheet, lines 34 and 36).

2005 Taxable Income Worksheet—Line 13

Keep for Your Records

Complete this worksheet if your 2005 taxable income is zero or less. See the instructions above before completing this worksheet.

1.	Figure the taxable income from your 2005 tax return (or as previously adjusted) without limiting it to zero. If you had an NOL for 2005, **do not** include any NOL carryovers or carrybacks to 2005. Enter the result as a positive amount	1.
2.	If there is a loss on your 2005 Schedule D, line 21, add that loss (as a positive amount) and your 2005 capital loss carryover to 2006. Subtract from that sum the amount of the loss on your 2005 Schedule D, line 16, and enter the result	2.
3.	If you had an NOL for 2005, enter it as a positive amount. Otherwise, enter as a positive amount the portion, if any, of the NOL carryovers and carrybacks to 2005 that were not used in 2005 and were carried to years after 2005	3.
4.	Add lines 2 and 3	4.
5.	Subtract line 4 from line 1. Enter the result as a negative amount on Schedule J, line 13	5.

2005 Tax Rate Schedules—Line 16

Schedule X—Use if your 2005 filing status was **Single**

If Schedule J, line 15, is: *Over—*	*But not over—*	Enter on Schedule J, line 16		*of the amount over—*
$0	$7,300		10%	$0
7,300	29,700	$730.00 +	15%	7,300
29,700	71,950	4,090.00 +	25%	29,700
71,950	150,150	14,652.50 +	28%	71,950
150,150	326,450	36,548.50 +	33%	150,150
326,450		94,727.50 +	35%	326,450

Schedule Y-1—Use if your 2005 filing status was **Married filing jointly** or **Qualifying widow(er)**

If Schedule J, line 15, is *Over*	*But not over*	Enter on Schedule J, line 16		*of the amount over*
$0	$14,600		10%	$0
14,600	59,400	$1,460.00 +	15%	14,600
59,400	119,950	8,180.00 +	25%	59,400
119,950	182,800	23,317.50 +	28%	119,950
182,800	326,450	40,915.50 +	33%	182,800
326,450		88,320.00 +	35%	326,450

Schedule Y-2—Use if your 2005 filing status was **Married filing separately**

If Schedule J, line 15, is: *Over—*	*But not over—*	Enter on Schedule J, line 16		*of the amount over—*
$0	$7,300		10%	$0
7,300	29,700	$730.00 +	15%	7,300
29,700	59,975	4,090.00 +	25%	29,700
59,975	91,400	11,658.75 +	28%	59,975
91,400	163,225	20,457.75 +	33%	91,400
163,225		44,160.00 +	35%	163,225

Schedule Z—Use if your 2005 filing status was **Head of household**

If Schedule J, line 15, is: *Over—*	*But not over—*	Enter on Schedule J, line 16		*of the amount over*
$0	$10,450		10%	$0
10,450	39,800	$1,045.00 +	15%	10,450
39,800	102,800	5,447.50 +	25%	39,800
102,800	166,450	21,197.50 +	28%	102,800
166,450	326,450	39,019.50 +	33%	166,450
326,450		91,819.50 +	35%	326,450

2005 Qualified Dividends and Capital Gain Tax Worksheet—Line 16

Keep for Your Records

Use this worksheet **only** if both of the following apply.

- Your elected farm income on Schedule J, line 2, does not include any net capital gain.
- You **(a)** entered qualified dividends on your 2005 Form 1040, line 9b (or your 2005 Form 1040A, line 9b), **(b)** entered capital gain distributions directly on your 2005 Form 1040, line 13 (or your 2005 Form 1040A, line 10) and checked the box on that line, or **(c)** filed Schedule D in 2005 and you answered "Yes" on lines 17 and 20 of that Schedule D.

1.	Amount from Schedule J, line 15	1.	
2.	Amount from Form 1040, line 9b (or Form 1040A, line 9b)	2.	
3.	Did you file Schedule D in 2005? ☐ **Yes.** Enter the **smaller** of line 15 or 16 of your 2005 Schedule D, but do not enter less than -0- ☐ **No.** Enter the amount from Form 1040, line 13 (or Form 1040A, line 10)	3.	
4.	Add lines 2 and 3	4.	
5.	Amount, if any, from your 2005 Form 4952, line 4g	5.	
6.	Subtract line 5 from line 4. If zero or less, enter -0-	6.	
7.	Subtract line 6 from line 1. If zero or less, enter -0-	7.	
8.	Enter the **smaller** of: • The amount on line 1, or • $29,700 if single or married filing separately for 2005, $59,400 if married filing jointly or qualifying widow(er), $39,800 if head of household.	8.	
9.	Is the amount on line 7 equal to or more than the amount on line 8? ☐ **Yes.** Skip lines 9 through 11; go to line 12 and check the "No" box. ☐ **No.** Enter the amount from line 7	9.	
10.	Subtract line 9 from line 8	10.	
11.	Multiply line 10 by 5% (.05)	11.	
12.	Are the amounts on lines 6 and 10 the same? ☐ **Yes.** Skip lines 12 through 15; go to line 16. ☐ **No.** Enter the **smaller** of line 1 or line 6	12.	
13.	Enter the amount from line 10 (if line 10 is blank, enter -0-)	13.	
14.	Subtract line 13 from line 12	14.	
15.	Multiply line 14 by 15% (.15)	15.	
16.	Figure the tax on the amount on line 7. Use the 2005 Tax Rate Schedules on page J-9	16.	
17.	Add lines 11, 15, and 16	17.	
18.	Figure the tax on the amount on line 1. Use the 2005 Tax Rate Schedules on page J-9	18.	
19.	**Tax.** Enter the **smaller** of line 17 or line 18 here and on Schedule J, line 16	19.	

Lines 18, 19, and 20

If you filed your 2003 or 2004 tax return using TeleFile, enter your tax from your TeleFile Tax Record. The TeleFile program was discontinued in 2005.

If you amended your return or the IRS made changes to it, enter the corrected amount.

Department of the Treasury
Internal Revenue Service

2006 Instructions for Schedule SE (Form 1040)

Self-Employment Tax

Use Schedule SE (Form 1040) to figure the tax due on net earnings from self-employment. The Social Security Administration uses the information from Schedule SE to figure your benefits under the social security program. This tax applies no matter how old you are and even if you are already getting social security or Medicare benefits.

Additional information. See Pub. 225 or Pub. 334

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

- For 2006, the maximum amount of self-employment income subject to social security tax is $94,200.
- If you are a debtor in a chapter 11 bankruptcy case, you must pay self-employment tax on your net earnings from self-employment, even though the bankruptcy estate pays the income tax on your net profit. See *Chapter 11 Bankruptcy Cases* on page SE-2.

General Instructions

Who Must File Schedule SE

You must file Schedule SE if:

- Your net earnings from self-employment (see page SE-2) from other than church employee income were $400 or more, or
- You had church employee income of $108.28 or more—see *Employees of Churches and Church Organizations* below.

Who Must Pay Self-Employment (SE) Tax?

Self-Employed Persons

You must pay SE tax if you had net earnings of $400 or more as a self-employed person. If you are in business for yourself or you are a farmer, you are self-employed.

You must also pay SE tax on your share of certain partnership income and your guaranteed payments. See *Partnership Income or Loss* on page SE-2.

Employees of Churches and Church Organizations

If you had church employee income of $108.28 or more, you must pay SE tax. Church employee income is wages you received as an employee (other than as a minister or member of a religious order) of a church or qualified church-controlled organization that has a certificate in effect electing an exemption from employer social security and Medicare taxes.

Ministers and Members of Religious Orders

In most cases, you must pay SE tax on salaries and other income for services you performed as a minister, a member of a religious order who has not taken a vow of poverty, or a Christian Science practitioner. But if you filed Form 4361 and received IRS approval, you will be exempt from paying SE tax on those net earnings. If you had no other income subject to SE tax, enter "Exempt—Form 4361" on Form 1040, line 58. However, if you had other earnings of $400 or more subject to SE tax, see line A at the top of Long Schedule SE.

CAUTION *If you have ever filed Form 2031 to elect social security coverage on your earnings as a minister, you cannot revoke that election.*

If you must pay SE tax, include this income on either Short or Long Schedule SE, line 2. But do not report it on Long Schedule SE, line 5a; it is not considered church employee income. Also, include on line 2:

- The rental value of a home or an allowance for a home furnished to you (including payments for utilities), and
- The value of meals and lodging provided to you, your spouse, and your dependents for your employer's convenience.

However, do not include on line 2:

- Retirement benefits you received from a church plan after retirement, or
- The rental value of a home or an allowance for a home furnished to you (including payments for utilities) after retirement.

If you were a duly ordained minister who was an employee of a church and you must pay SE tax, the unreimbursed business expenses that you incurred as a church employee are allowed only as an itemized deduction for income tax purposes. Subtract the allowable amount from your SE earnings when figuring your SE tax.

If you were a U.S. citizen or resident alien serving outside the United States as a minister or member of a religious order and you must pay SE tax, you cannot reduce your net earnings by the foreign housing exclusion or deduction.

See Pub. 517 for details.

Members of Certain Religious Sects

If you have conscientious objections to social security insurance because of your membership in and belief in the teachings of a religious sect recognized as being in existence at all times since December 31, 1950, and which has provided a reasonable level of living for its dependent members, you are exempt from SE tax if you received IRS approval by filing Form 4029. In this case, do not file Schedule SE. Instead, enter "Exempt—Form 4029" on Form 1040, line 58. See Pub. 517 for details.

U.S. Citizens Employed by Foreign Governments or International Organizations

You must pay SE tax on income you earned as a U.S. citizen employed by a foreign government (or, in certain cases, by a wholly owned instrumentality of a foreign government or an international organization under the International Organizations Immunities Act) for services performed in the United States, Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the U.S. Virgin Islands. Report income from this employment on either Short or Long Schedule SE, line 2. If you performed services elsewhere as an employee of a foreign government or an international organization, those earnings are exempt from SE tax.

U.S. Citizens or Resident Aliens Living Outside the United States

If you are a self-employed U.S. citizen or resident alien living outside the United States, in most cases you must pay SE tax. You cannot reduce your foreign earnings from self-employment by your foreign earned income exclusion.

Exception. The United States has social security agreements with many countries to eliminate dual taxes under two social security systems. Under these agreements, you must generally pay social security and

Cat. No. 24334P

Medicare taxes to only the country you live in.

The United States now has social security agreements with the following countries: Australia, Austria, Belgium, Canada, Chile, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, South Korea, Spain, Sweden, Switzerland, and the United Kingdom. Additional agreements are expected in the future. If you have questions about international social security agreements, you can:

1. Visit the Social Security Administration (SSA) website at *www.socialsecurity.gov/international*,

2. Call the SSA's Office of International Programs at:

a. (410) 965-0144 for questions on benefits under agreements, or

b. (410) 965-3549 for questions on the coverage rules of the agreements, or

3. Write to Social Security Administration, Office of International Programs, P.O. Box 17741, Baltimore, MD 21235-7741.

If your self-employment income is exempt from SE tax, you should get a statement from the appropriate agency of the foreign country verifying that your self-employment income is subject to social security coverage in that country. If the foreign country will not issue the statement, contact the SSA at the address shown above. Do not complete Schedule SE. Instead, attach a copy of the statement to Form 1040 and enter "Exempt, see attached statement" on Form 1040, line 58.

Chapter 11 Bankruptcy Cases

While you are a debtor in a chapter 11 bankruptcy case, your net profit or loss from self-employment (for example, from Schedule C or Schedule F) will not be included in your Form 1040 income. Instead, it will be included on the income tax return (Form 1041) of the bankruptcy estate. However, you—not the bankruptcy estate—are responsible for paying self-employment tax on your net earnings from self-employment.

Enter on the dotted line to the left of Schedule SE, line 3, "Chap. 11 bankruptcy income" and the amount of your net profit or (loss). Combine that amount with the total of lines 1 and 2 (if any) and enter the result on line 3.

For other reporting requirements, see page 22 in the instructions for Form 1040.

More Than One Business

If you had two or more businesses, your net earnings from self-employment are the combined net earnings from all of your businesses. If you had a loss in one business, it reduces the income from another. Figure the combined SE tax on one Schedule SE.

Joint Returns

Show the name of the spouse with SE income on Schedule SE. If both spouses have SE income, each must file a separate Schedule SE. However, if one spouse qualifies to use Short Schedule SE (front of form) and the other must use Long Schedule SE (back of form), both can use the same form. One spouse should complete the front and the other the back.

Include the total profits or losses from all businesses on Form 1040, as appropriate. Enter the combined SE tax on Form 1040, line 58.

Community Income

In most cases, if any of the income from a business (including farming) is community income, all of the income from that business is the SE earnings of the spouse who carried on the business. The facts in each case will determine which spouse carried on the business. If you and your spouse are partners in a partnership, see the *Partnership Income or Loss* on this page.

If you and your spouse had community income and file separate returns, attach Schedule SE to the return of the spouse with the SE income. Also, attach Schedule(s) C, C-EZ, or F to the return of each spouse.

If you are the spouse who carried on the business, you must include on Schedule SE, line 3, the net profit or (loss) reported on the other spouse's Schedule C, C-EZ, or F (except income not included in net earnings from self-employment as explained on page SE-3). Enter on the dotted line to the left of Schedule SE, line 3, "Community Income Taxed to Spouse" and the amount of any net profit or (loss) allocated to your spouse as community income. Combine that amount with the total of lines 1 and 2 and enter the result on line 3.

If you are not the spouse who carried on the business and you had no other income subject to SE tax, enter "Exempt Community Income" on Form 1040, line 58; do not file Schedule SE. However, if you had other earnings subject to SE tax of $400 or more, enter on the dotted line to the left of Schedule SE, line 3, "Exempt Community Income" and the amount of net profit or (loss) from Schedule C, C-EZ, or F allocated to you as community income. If that amount is a net profit, subtract it from the total of lines 1 and 2, and enter the result on line 3. If that amount is a loss, treat it as a positive amount, add it to the total of lines 1 and 2, and enter the result on line 3.

CAUTION *Community income included on Schedule(s) C, C-EZ, or F must be divided for income tax purposes based on the community property laws of your state.*

Fiscal Year Filers

If your tax year is a fiscal year, use the tax rate and earnings base that apply at the time the fiscal year begins. Do not prorate the tax or earnings base for a fiscal year that overlaps the date of a rate or earnings base change.

Specific Instructions

Read the chart on page 1 of Schedule SE to see if you can use Section A, Short Schedule SE, or if you must use Section B, Long Schedule SE. For either section, you need to know what to include as net earnings from self-employment. Read the following instructions to see what to include as net earnings and how to fill in either Short or Long Schedule SE, lines 1 and 2. Enter all negative amounts in parentheses.

Net Earnings From Self-Employment

What Is Included in Net Earnings From Self-Employment?

In most cases, net earnings include your net profit from a farm or nonfarm business. If you were a partner in a partnership, see the following instructions.

Partnership Income or Loss

If you were a general or limited partner in a partnership, include on line 1 or line 2, whichever applies, the amount of net earnings from self-employment from Schedule K-1 (Form 1065), box 14, code A, and Schedule K-1 (Form 1065-B), box 9, code J1. General partners should reduce this amount before entering it on Schedule SE by any section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties. If you reduce the amount you enter on Schedule SE, attach an explanation.

If a partner died and the partnership continued, include in SE income the deceased's distributive share of the partnership's ordinary income or loss through the end of the month in which he or she died. See section 1402(f).

If you were married and both you and your spouse were partners in a partnership, each of you must pay SE tax on your own share of the partnership income. Each of you must file a Schedule SE and report the partnership income or loss on Schedule E (Form 1040), Part II, for income tax purposes.

SE income belongs to the person who is the member of the partnership and cannot be treated as SE income by the nonmember spouse, even in community property states.

Share Farming

You are considered self-employed if you produced crops or livestock on someone else's land for a share of the crops or livestock produced (or a share of the proceeds from the sale of them). This applies even if you paid another person (an agent) to do the actual work or management for you. Report your net earnings for income tax purposes on Schedule F (Form 1040) and for SE tax purposes on Schedule SE. See Pub. 225 for details.

Other Income and Losses Included in Net Earnings From Self-Employment

1. Rental income from a farm if, as landlord, you materially participated in the production or management of the production of farm products on this land. This income is farm earnings. To determine whether you materially participated in farm management or production, do not consider the activities of any agent who acted for you. The material participation tests are explained in Pub. 225.

2. Cash or a payment-in-kind from the Department of Agriculture for participating in a land diversion program.

3. Payments for the use of rooms or other space when you also provided substantial services. Examples are hotel rooms, boarding houses, tourist camps or homes, parking lots, warehouses, and storage garages.

4. Income from the retail sale of newspapers and magazines if you were age 18 or older and kept the profits.

5. Amounts received by current or former self-employed insurance agents and salespersons that are:

a. Paid after retirement but figured as a percentage of commissions received from the paying company before retirement,

b. Renewal commissions, or

c. Deferred commissions paid after retirement for sales made before retirement.

However, certain termination payments received by former insurance salespersons are not included in net earnings from self-employment (as explained in item 9 under *Income and Losses Not Included in Net Earnings From Self-Employment* on this page).

6. Income of certain crew members of fishing vessels with crews of normally fewer than 10 people. See Pub. 334 for details.

7. Fees as a state or local government employee if you were paid only on a fee basis and the job was not covered under a federal-state social security coverage agreement.

8. Interest received in the course of any trade or business, such as interest on notes or accounts receivable.

9. Fees and other payments received by you for services as a director of a corporation.

10. Recapture amounts under sections 179 and 280F that you included in gross income because the business use of the property dropped to 50% or less. Do not include amounts you recaptured on the disposition of property. See Form 4797.

11. Fees you received as a professional fiduciary. This may also apply to fees paid to you as a nonprofessional fiduciary if the fees relate to active participation in the operation of the estate's business, or the management of an estate that required extensive management activities over a long period of time.

12. Gain or loss from section 1256 contracts or related property by an options or commodities dealer in the normal course of dealing in or trading section 1256 contracts.

Income and Losses Not Included in Net Earnings From Self-Employment

1. Salaries, fees, etc., subject to social security or Medicare tax that you received for performing services as an employee, including services performed as a public official (except as a fee basis government employee as explained in item 7 under *Other Income and Losses Included in Net Earnings From Self-Employment*) or as an employee or employee representative under the railroad retirement system.

2. Fees received for services performed as a notary public. If you had no other income subject to SE tax, enter "Exempt—Notary" on Form 1040, line 58; do not file Schedule SE. However, if you had other earnings of $400 or more subject to SE tax, enter "Exempt—Notary" and the amount of your net profit as a notary public from Schedule C or Schedule C-EZ on the dotted line to the left of Schedule SE, line 3. Subtract that amount from the total of lines 1 and 2 and enter the result on line 3.

3. Income you received as a retired partner under a written partnership plan that provides for lifelong periodic retirement payments if you had no other interest in the partnership and did not perform services for it during the year.

4. Income from real estate rentals if you did not receive the income in the course of a trade or business as a real estate dealer. Report this income on Schedule E.

5. Income from farm rentals (including rentals paid in crop shares) if, as landlord, you did not materially participate in the production or management of the production of farm products on the land. See Pub. 225 for details.

6. Dividends on shares of stock and interest on bonds, notes, etc., if you did not receive the income in the course of your trade or business as a dealer in stocks or securities.

7. Gain or loss from:

a. The sale or exchange of a capital asset;

b. The sale, exchange, involuntary conversion, or other disposition of property unless the property is stock in trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business; or

c. Certain transactions in timber, coal, or domestic iron ore.

8. Net operating losses from other years.

9. Termination payments you received as a former insurance salesperson if all of the following conditions are met.

a. The payment was received from an insurance company because of services you performed as an insurance salesperson for the company.

b. The payment was received after termination of your agreement to perform services for the company.

c. You did not perform any services for the company after termination and before the end of the year in which you received the payment.

d. You entered into a covenant not to compete against the company for at least a 1-year period beginning on the date of termination.

e. The amount of the payment depended primarily on policies sold by or credited to your account during the last year of the agreement, or the extent to which those policies remain in force for some period after termination, or both.

f. The amount of the payment did not depend to any extent on length of service or overall earnings from services performed for the company (regardless of whether eligibility for the payment depended on length of service).

Statutory Employee Income

If you were required to check the box on Schedule C or C-EZ, line 1, because you were a statutory employee, do not include the net profit or (loss) from that Schedule C, line 31 (or the net profit from Schedule C-EZ, line 3), on Short or Long Schedule SE, line 2. But if you file Long Schedule SE, be sure to include statutory employee social security wages and tips from Form W-2 on line 8a.

Optional Methods

How Can the Optional Methods Help You?

Social security coverage. The optional methods may give you credit toward your social security coverage even though you have a loss or a small amount of income from self-employment.

Earned income credit (EIC). Using the optional methods may qualify you to claim the EIC or give you a larger credit if your net earnings from self-employment (determined without using the optional methods)

are less than $1,600. Figure the EIC with and without using the optional methods to see if the optional methods will benefit you.

Additional child tax credit. Using the optional methods may qualify you to claim the additional child tax credit or give you a larger credit if your net earnings from self-employment (determined without using the optional methods) are less than $1,600. Figure the additional child tax credit with and without using the optional methods to see if the optional methods will benefit you.

Child and dependent care credit. The optional methods may help you qualify for this credit or give you a larger credit if your net earnings from self-employment (determined without using the optional methods) are less than $1,600. Figure this credit with and without using the optional methods to see if the optional methods will benefit you.

Self-employed health insurance deduction. The optional methods of computing net earnings from self-employment may be used to figure your self-employed health insurance deduction.



Using the optional methods may give you the benefits described above, but they may also increase your SE tax.

Farm Optional Method

You may use this method to figure your net earnings from farm self-employment if your gross farm income was $2,400 or less or your net farm profits were less than $1,733. Net farm profits are the total of the amounts from:

- Schedule F (Form 1040), line 36, and
- Schedule K-1 (Form 1065), box 14, code A (from farm partnerships).

There is no limit on how many years you can use this method.

Under this method, you report on Part II, line 15, two-thirds of your gross farm income, up to $1,600, as your net earnings. This method can increase or decrease your net earnings from farm self-employment even if the farming business had a loss.

You can change the method after you file your return. That is, you can change from the regular to the optional method or from the optional to the regular method. To do this, file Form 1040X.

For a farm partnership, figure your share of gross income based on the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payments plus your share of the gross income after it is reduced by all guaranteed payments made by the partnership. If you were a limited partner, include only guaranteed payments for services you actually rendered to or on behalf of the partnership.

Nonfarm Optional Method

You may be able to use this method to figure your net earnings from nonfarm self-employment if your net nonfarm profits were less than $1,733 and also less than 72.189% of your gross nonfarm income. Net nonfarm profits are the total of the amounts from:

- Schedule C (Form 1040), line 31,
- Schedule C-EZ (Form 1040), line 3,
- Schedule K-1 (Form 1065), box 14, code A (from other than farm partnerships), and
- Schedule K-1 (Form 1065-B), box 9, code J1.

To use this method, you also must be regularly self-employed. You meet this requirement if your actual net earnings from self-employment were $400 or more in 2 of the 3 years preceding the year you use the nonfarm optional method. The net earnings of $400 or more could be from either farm or nonfarm earnings or both. The net earnings include your distributive share of partnership income or loss subject to SE tax. Use of the nonfarm optional method from nonfarm self-employment is limited to 5 years. The 5 years do not have to be consecutive.

Under this method, you report on Part II, line 17, two-thirds of your gross nonfarm income, up to $1,600, as your net earnings. But you cannot report less than your actual net earnings from nonfarm self-employment.

You can change the method after you file your return. That is, you can change from the regular to the optional method or from the optional to the regular method. To do so, file Form 1040X.

Figure your share of gross income from a nonfarm partnership in the same manner as a farm partnership. See *Farm Optional Method* on this page for details.

Using Both Optional Methods

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than $1,600 of net earnings from self-employment.

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* These items may not be included in this package. To reduce printing costs, we have sent you only the forms you may need based on what you filed last year.

Where Do You File?

If an envelope addressed to "Internal Revenue Service Center" came with this booklet, please use it. If you do not have one or if you moved during the year, mail your return to the Internal Revenue Service Center shown below that applies to you.

TIP *Envelopes without enough postage will be returned to you by the post office. Your envelope may need additional postage if it contains more than five pages or is oversized (for example, it is over ¼" thick). Also, include your complete return address.*

IF you live in...	THEN use this address if you: Are not enclosing a check or money order...	Are enclosing a check or money order...
Alabama, Delaware, Florida, Georgia, North Carolina, Rhode Island, South Carolina, Virginia	Internal Revenue Service Center Atlanta, GA 39901-0002	Internal Revenue Service Center Atlanta, GA 39901-0102
District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont	Internal Revenue Service Center Andover, MA 05501-0002	Internal Revenue Service Center Andover, MA 05501-0102
Arkansas, Connecticut, Illinois, Indiana, Iowa, Michigan, Missouri, New Jersey, Ohio, Wisconsin	Internal Revenue Service Center Kansas City, MO 64999-0002	Internal Revenue Service Center Kansas City, MO 64999-0102
Kentucky*, Pennsylvania*	Internal Revenue Service Center Philadelphia, PA 19255-0002	Internal Revenue Service Center Philadelphia, PA 19255-0102
Kansas, Louisiana, Mississippi, Oklahoma, Tennessee, Texas, West Virginia, APO and FPO addresses	Internal Revenue Service Center Austin, TX 73301-0002	Internal Revenue Service Center Austin, TX 73301-0102
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Internal Revenue Service Center Fresno, CA 93888-0002	Internal Revenue Service Center Fresno, CA 93888-0102
American Samoa, nonpermanent residents of Guam or the Virgin Islands**, Puerto Rico (or if excluding income under Internal Revenue Code section 933), dual-status aliens, a foreign country, U.S. citizens and those filing Form 2555, 2555-EZ, or 4563	Internal Revenue Service Center Austin, TX 73301-0215 USA	Internal Revenue Service Center Austin, TX 73301-0215 USA

* If you live in Kentucky or Pennsylvania and file your return after June 30, 2007, use Internal Revenue Service Center, Kansas City, MO 64999-0002 (if you are not enclosing a check or money order), or Internal Revenue Service Center, Kansas City, MO 64999-0102 (if you are enclosing a check or money order).

** Permanent residents of Guam should use Department of Revenue and Taxation, Government of Guam, P.O. Box 23607, GMF, GU 96921. permanent residents of the Virgin Islands should use V.I. Bureau of Internal Revenue, 9601 Estate Thomas, Charlotte Amalie, St. Thomas, VI 00802

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Form **1040A** Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return (99) 2006

IRS Use Only—Do not write or staple in this space

OMB No. 1545-0074

Label (See page 18.) Use the IRS label. Otherwise please print or type. Presidential Election Campaign

LABEL HERE

Your first name and initial | Last name | Your social security number

If a joint return, spouse's first name and initial | Last name | Spouse's social security number

Home address (number and street). If you have a P.O. box, see page 18. | Apt. no.

▲ You must enter your SSN(s) above ▲

City, town or post office, state, and ZIP code. If you have a foreign address, see page 18.

Checking a box below will not change your tax or refund.

Check here if you, or your spouse if filing jointly, want $3 to go to this fund (see page 18) ▶ ☐ You ☐ Spouse

Filing status Check only one box

1 ☐ Single
2 ☐ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here ▶
5 ☐ Qualifying widow(er) with dependent child (see page 20)

Exemptions

6a ☐ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a. — Boxes checked on 6a and 6b

b ☐ **Spouse**

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qualifying child for child tax credit (see page 21)
			☐
			☐
			☐
			☐
			☐
			☐

If more than six dependents, see page 21.

No. of children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see page 22)

Dependents on 6c not entered above

Add numbers on lines above ▶

d Total number of exemptions claimed.

Income

Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see page 24.

Enclose, but do not attach, any payment.

7	Wages, salaries, tips, etc. Attach Form(s) W-2.			7
8a	**Taxable** interest. Attach Schedule 1 if required.			8a
b	**Tax-exempt** interest. **Do not** include on line 8a.	8b		
9a	Ordinary dividends. Attach Schedule 1 if required.			9a
b	Qualified dividends (see page 25).	9b		
10	Capital gain distributions (see page 25).			10
11a	IRA distributions.	11a	**11b** Taxable amount (see page 25).	11b
12a	Pensions and annuities.	12a	**12b** Taxable amount (see page 26).	12b
13	Unemployment compensation, Alaska Permanent Fund dividends, and jury duty pay.			13
14a	Social security benefits.	14a	**14b** Taxable amount (see page 28).	14b
15	Add lines 7 through 14b (far right column). This is your **total income.** ▶			15

Adjusted gross income

16	Penalty on early withdrawal of savings (see page 28).	16	
17	IRA deduction (see page 28).	17	
18	Student loan interest deduction (see page 31).	18	
19	Jury duty pay you gave your employer (see page 31).	19	
20	Add lines 16 through 19. These are your **total adjustments.**		20
21	Subtract line 20 from line 15. This is your **adjusted gross income.** ▶		21

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 58. Cat. No. 11327A Form **1040A** (2006)

Tax, credits, and payments

Standard Deduction for—
- People who checked any box on line 23a or 23b or who can be claimed as a dependent, see page 32
- All others

Single or Married filing separately, $5,150

Married filing jointly or Qualifying widow(er), $10,300

Head of household $7,550

22	Enter the amount from line 21 (adjusted gross income).		22
23a	Check if: ☐ You were born before January 2, 1942, ☐ Blind; ☐ Spouse was born before January 2, 1942, ☐ Blind. Total boxes checked ▶ 23a		
b	If you are married filing separately and your spouse itemizes deductions, see page 32 and check here ▶ 23b ☐		
24	Enter your **standard deduction** (see left margin).		24
25	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.		25
26	If line 22 is over $112,875, or you provided housing to a person displaced by Hurricane Katrina, see page 32. Otherwise, multiply $3,300 by the total number of exemptions claimed on line 6d.		26
27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your **taxable income.** ▶		27
28	**Tax,** including any alternative minimum tax (see page 32).		28
29	Credit for child and dependent care expenses. Attach Schedule 2.	29	
30	Credit for the elderly or the disabled. Attach Schedule 3.	30	
31	Education credits. Attach Form 8863.	31	
32	Retirement savings contributions credit. Attach Form 8880.	32	
33	Child tax credit (see page 37). Attach Form 8901 if required.	33	
34	Add lines 29 through 33. These are your **total credits.**		34
35	Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-.		35
36	Advance earned income credit payments from Form(s) W-2, box 9.		36
37	Add lines 35 and 36. This is your **total tax.** ▶		37
38	Federal income tax withheld from Forms W-2 and 1099.	38	
39	2006 estimated tax payments and amount applied from 2005 return.	39	
40a	**Earned income credit (EIC).**	40a	
b	Nontaxable combat pay election 40b		
41	Additional child tax credit. Attach Form 8812.	41	
42	Credit for federal telephone excise tax paid. Attach Form 8913 if required.	42	
43	Add lines 38, 39, 40a, 41, and 42. These are your **total payments.** ▶		43

If you have a qualifying child, attach Schedule EIC

Refund

Direct deposit? See page 53 and fill in 45b, 45c, and 45d or Form 8888.

44	If line 43 is more than line 37, subtract line 37 from line 43. This is the amount you **overpaid.**		44
45a	Amount of line 44 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐		45a
▶ b	Routing number	▶ c Type ☐ Checking ☐ Savings	
▶ d	Account number		
46	Amount of line 44 you want **applied to your 2007 estimated tax.**	46	

Amount you owe

47	**Amount you owe.** Subtract line 43 from line 37. For details on how to pay, see page 54. ▶		47
48	Estimated tax penalty (see page 54).	48	

Third party designee

Do you want to allow another person to discuss this return with the IRS (see page 55)? ☐ Yes. Complete the following ☐ No

Designee's name ▶ Phone no ▶ () Personal identification number (PIN) ▶

Sign here

Joint return? See page 18.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature | Date | Your occupation | Daytime phone number

Spouse's signature. If a joint return, **both** must sign | Date | Spouse's occupation

Paid preparer's use only

Preparer's signature | Date | Check if self-employed ☐ | Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code | EIN | Phone no ()

Schedule 1 (Form 1040A) Department of the Treasury—Internal Revenue Service

Interest and Ordinary Dividends for Form 1040A Filers

(99) **2006** OMB No. 1545-0074

Name(s) shown on Form 1040A | Your social security number

Part I

Interest

(See back of schedule and the instructions for Form 1040A, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, enter the firm's name and the total interest shown on that form.

1	List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see back of schedule and list this interest first. Also, show that buyer's social security number and address.	Amount
	1	
2	Add the amounts on line 1.	2
3	Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815.	3
4	Subtract line 3 from line 2. Enter the result here and on Form 1040A, line 8a.	4

Part II

Ordinary dividends

(See back of schedule and the instructions for Form 1040A, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, enter the firm's name and the ordinary dividends shown on that form.

5	List name of payer.	Amount
	5	
6	Add the amounts on line 5. Enter the total here and on Form 1040A, line 9a.	6

Purpose of Schedule

Use Schedule 1 if any of the following apply

- You had over $1,500 of taxable interest (fill in Part I)
- You received interest from a seller-financed mortgage and the buyer used the property as a personal residence (fill in Part I)
- You are claiming the exclusion of interest from series EE or I U S savings bonds issued after 1989 (fill in Part I)
- You received interest as a nominee (fill in Part I)
- You had over $1,500 of ordinary dividends or you received ordinary dividends as a nominee (fill in Part II)

TIP *If you need more space to list your interest or ordinary dividends, attach separate statements that are the same size as Schedule 1. Use the same format as lines 1 and 5, but show your totals on Schedule 1. Be sure to put your name and social security number on the statements and attach them at the end of your return.*

Part I

Interest

Line 1

Report on line 1 all of your taxable interest Interest should be shown on your Forms 1099-INT, Forms 1099-OID, or substitute statements Include interest from series EE and I U S savings bonds List each payer's name and show the amount

Seller-financed mortgages. If you sold your home or other property and the buyer used the property as a personal residence, list first any interest the buyer paid you on a mortgage or other form of seller financing Be sure to show the buyer's name, address, and social security number (SSN) You must also let the buyer know your SSN If you do not show the buyer's name, address, and SSN, or let the buyer know your SSN, you may have to pay a $50 penalty

Nominees. If you received a Form 1099-INT that includes interest you received as a nominee (that is, in your name, but the interest actually belongs to someone else), report the total on line 1 Do this even if you later distributed some or all of this income to others Under your last entry on line 1, put a subtotal of all interest listed on line 1 Below this subtotal, enter "Nominee Distribution" and show the total interest you received as a nominee Subtract this amount from the subtotal and enter the result on line 2

TIP *If you received interest as a nominee, you must give the actual owner a Form 1099-INT unless the owner is your spouse. You must also file a Form 1096 and a Form 1099-INT with the IRS. For more details, see the General Instructions for Forms 1099, 1098, 5498, and W-2G and Instructions for Forms 1099-INT and 1099-OID.*

Line 3

Did you cash series EE or I U S savings bonds in 2006 that were issued after 1989? If you did and you paid qualified higher education expenses in 2006 for yourself, your spouse, or your dependents, you may be able to exclude part or all of the interest on those bonds See Form 8815 for details

Part II

Ordinary Dividends

Line 5

Report on line 5 all of your ordinary dividends. Ordinary dividends should be shown in box 1a of your Forms 1099-DIV or substitute statements List each payer's name and show the amount.

Nominees. If you received a Form 1099-DIV that includes ordinary dividends you received as a nominee (that is, in your name, but the ordinary dividends actually belong to someone else), report the total on line 5 Do this even if you later distributed some or all of this income to others Under your last entry on line 5, put a subtotal of all ordinary dividends listed on line 5 Below this subtotal, enter "Nominee Distribution" and show the total ordinary dividends you received as a nominee Subtract this amount from the subtotal and enter the result on line 6

TIP *If you received dividends as a nominee, you must give the actual owner a Form 1099-DIV unless the owner is your spouse. You must also file a Form 1096 and a Form 1099-DIV with the IRS. For more details, see the General Instructions for Forms 1099, 1098, 5498, and W-2G and Instructions for Form 1099-DIV.*

Schedule 2 (Form 1040A) — Department of the Treasury—Internal Revenue Service

Child and Dependent Care Expenses for Form 1040A Filers

(99) **2006** OMB No 1545-0074

Name(s) shown on Form 1040A — Your social security number

Before you begin: You need to understand the following terms. See **Definitions** on page 1 of the separate instructions.
• **Dependent care benefits** • **Qualifying person(s)** • **Qualified expenses**

Part I

Persons or organizations who provided the care

You **must** complete this part

	(a) Care provider's name	(b) Address (number, street, apt no city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)
1				

(If you need more space, use the bottom of page 2.)

Did you receive **dependent care benefits?** — **No** → Complete only Part II below; **Yes** → Complete Part III on the back next

Caution. If the care was provided in your home, you may owe employment taxes. If you do, you must use Form 1040. See **Schedule H** and its instructions for details.

Part II

Credit for child and dependent care expenses

2 Information about your **qualifying person(s).** If you have more than two qualifying persons, see the instructions.

(a) Qualifying person's name First	Last	(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2006 for the person listed in column (a)

3 Add the amounts in column (c) of line 2. **Do not** enter more than $3,000 for one qualifying person or $6,000 for two or more persons. If you completed Part III, enter the amount from line 27. — 3

4 Enter your **earned income.** See the instructions. — 4

5 If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); **all others,** enter the amount from line 4. — 5

6 Enter the **smallest** of line 3, 4, or 5. — 6

7 Enter the amount from Form 1040A, line 22. — 7

8 Enter on line 8 the decimal amount shown below that applies to the amount on line 7.

If line 7 is: Over	But not over	Decimal amount is	If line 7 is: Over	But not over	Decimal amount is
$0	$15,000	.35	$29,000	$31,000	.27
15,000	17,000	.34	31,000	33,000	.26
17,000	19,000	.33	33,000	35,000	.25
19,000	21,000	.32	35,000	37,000	.24
21,000	23,000	.31	37,000	39,000	.23
23,000	25,000	.30	39,000	41,000	.22
25,000	27,000	.29	41,000	43,000	.21
27,000	29,000	.28	43,000	No limit	.20

8 ____ × . — 8

9 Multiply **line 6** by the decimal amount on line 8. If you paid 2005 expenses in 2006, see the instructions. — 9

10 Enter the amount from Form 1040A, line 28. — 10

11 **Credit for child and dependent care expenses.** Enter the **smaller** of line 9 or line 10 here and on Form 1040A, line 29. — 11

Part III Dependent care benefits

12 Enter the total amount of **dependent care benefits** you received for 2006. This amount should be shown in box 10 of your Form(s) W-2. **Do not** include amounts that were reported to you as wages in box 1 of Form(s) W-2. 12

13 Enter the amount, if any, you carried over from 2005 and used in 2006 during the grace period. See the instructions. 13

14 Enter the amount, if any, you forfeited or carried forward to 2007. See the instructions. 14 ()

15 Combine lines 12 through 14. See the instructions. 15

16 Enter the total amount of **qualified expenses** incurred in 2006 for the care of the qualifying person(s). 16

17 Enter the **smaller** of line 15 or 16. 17

18 Enter your **earned income.** See the instructions. 18

19 Enter the amount shown below that applies to you.
- If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions for line 5).
- If married filing separately, see the instructions for the amount to enter.
- All others, enter the amount from line 18. 19

20 Enter the **smallest** of line 17, 18, or 19. 20

21 **Excluded benefits.** Enter here the **smaller** of the following:
- The amount from line 20, or
- $5,000 ($2,500 if married filing separately **and** you were required to enter your spouse's earned income on line 19). 21

22 **Taxable benefits.** Subtract line 21 from line 15. Also, include this amount on Form 1040A, line 7. In the space to the left of line 7, enter "DCB." 22

To claim the child and dependent care credit, complete lines 23–27 below.

23 Enter $3,000 ($6,000 if two or more qualifying persons). 23

24 Enter the amount from line 21. 24

25 Subtract line 24 from line 23. If zero or less, **stop.** You cannot take the credit. **Exception.** If you paid 2005 expenses in 2006, see the instructions for line 9. 25

26 Complete line 2 on the front of this schedule. **Do not** include in column (c) any benefits shown on line 21 above. Then, add the amounts in column (c) and enter the total here. 26

27 Enter the **smaller** of line 25 or 26. Also, enter this amount on line 3 on the front of this schedule and complete lines 4–11. 27

Schedule 3 (Form 1040A) — Credit for the Elderly or the Disabled for Form 1040A Filers

Department of the Treasury—Internal Revenue Service (99) **2006** OMB No 1545-0074

Name(s) shown on Form 1040A | Your social security number

You may be able to take this credit and reduce your tax if by the end of 2006:
- You were age 65 or older **or**
- You were under age 65, you retired on **permanent** and total disability, and you received taxable disability income.

But you must also meet other tests. See the separate instructions for Schedule 3.

TIP In most cases, the IRS can figure the credit for you. See the instructions

Part I Check the box for your filing status and age

If your filing status is:	And by the end of 2006:	Check only one box:
Single, Head of household, or Qualifying widow(er)	1 You were 65 or older	1 ☐
	2 You were under 65 and you retired on permanent and total disability	2 ☐
Married filing jointly	3 Both spouses were 65 or older	3 ☐
	4 Both spouses were under 65, but only one spouse retired on permanent and total disability	4 ☐
	5 Both spouses were under 65, and both retired on permanent and total disability	5 ☐
	6 One spouse was 65 or older, and the other spouse was under 65 and retired on permanent and total disability	6 ☐
	7 One spouse was 65 or older, and the other spouse was under 65 and **not** retired on permanent and total disability	7 ☐
Married filing separately	8 You were 65 or older and you lived apart from your spouse for all of 2006	8 ☐
	9 You were under 65, you retired on permanent and total disability, and you lived apart from your spouse for all of 2006	9 ☐

Did you check box 1, 3, 7, or 8?
- Yes → Skip Part II and complete Part III on the back.
- No → Complete Parts II and III.

Part II Statement of permanent and total disability

Complete this part **only** if you checked box 2, 4, 5, 6, or 9 above

If: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed or got a statement for tax years after 1983 and your physician signed line B on the statement, **and**

2 Due to your continued disabled condition, you were unable to engage in any substantial gainful activity in 2006, check this box ▶ ☐
- If you checked this box, you do not have to get another statement for 2006.
- If you **did not** check this box, have your physician complete the statement on page 4 of the instructions. You **must** keep the statement for your records.

Part III Figure your credit

10 If you checked (in Part I): Enter:
Box 1, 2, 4, or 7 $5,000
Box 3, 5, or 6 $7,500
Box 8 or 9 $3,750 → 10

Did you check box 2, 4, 5, 6, or 9 in Part I?
- Yes → You must complete line 11.
- No → Enter the amount from line 10 on line 12 and go to line 13.

11 If you checked (in Part I):
- Box 6, add $5,000 to the taxable disability income of the spouse who was under age 65. Enter the total.
- Box 2, 4, or 9, enter your taxable disability income.
- Box 5, add your taxable disability income to your spouse's taxable disability income. Enter the total.

TIP For more details on what to include on line 11, see the instructions. → 11

12 If you completed line 11, enter the **smaller** of line 10 or line 11; **all others**, enter the amount from line 10. → 12

13 Enter the following pensions, annuities, or disability income that you (and your spouse if filing a joint return) received in 2006.

a Nontaxable part of social security benefits and Nontaxable part of railroad retirement benefits treated as social security (see the instructions). 13a

b Nontaxable veterans' pensions and Any other pension, annuity, or disability benefit that is excluded from income under any other provision of law (see the instructions). 13b

c Add lines 13a and 13b. (Even though these income items are not taxable, they **must** be included here to figure your credit.) If you did not receive any of the types of nontaxable income listed on line 13a or 13b, enter -0- on line 13c. 13c

14 Enter the amount from Form 1040A, line 22. 14

15 If you checked (in Part I): Enter:
Box 1 or 2 $7,500
Box 3, 4, 5, 6, or 7 $10,000
Box 8 or 9 $5,000 15

16 Subtract line 15 from line 14. If zero or less, enter -0-. 16

17 Enter one-half of line 16. 17

18 Add lines 13c and 17. → 18

19 Subtract line 18 from line 12. If zero or less, **stop**; you **cannot** take the credit. Otherwise, go to line 20. → 19

20 Multiply line 19 by 15% (.15). → 20

21 Enter the amount from Form 1040A, line 28, minus any amount on Form 1040A, line 29. → 21

22 **Credit for the elderly or the disabled.** Enter the **smaller** of line 20 or line 21 here and on Form 1040A, line 30. → 22

Department of the Treasury—Internal Revenue Service

Form **1040EZ**

Income Tax Return for Single and Joint Filers With No Dependents (99) 2006

OMB No 1545-0074

Label (See page 11) Use the IRS label. Otherwise, please print or type

LABEL HERE

Your first name and initial | Last name | Your social security number

If a joint return, spouse's first name and initial | Last name | Spouse's social security number

Home address (number and street). If you have a P.O. box, see page 11. | Apt. no

City, town or post office, state, and ZIP code. If you have a foreign address, see page 11.

▲ You must enter your SSN(s) above ▲

Checking a box below will not change your tax or refund

Presidential Election Campaign (page 11) Check here if you, or your spouse if a joint return, want $3 to go to this fund . . . ▶ ☐ You ☐ Spouse

Income

Attach Form(s) W-2 here. Enclose, but do not attach, any payment

1 Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2 → 1

2 Taxable interest. If the total is over $1,500, you cannot use Form 1040EZ → 2

3 Unemployment compensation and Alaska Permanent Fund dividends (see page 13). → 3

4 Add lines 1, 2, and 3. This is your **adjusted gross income.** → 4

5 If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back.
☐ You ☐ Spouse
If no one can claim you (or your spouse if a joint return), enter $8,450 if **single;** $16,900 if **married filing jointly.** See back for explanation. → 5

6 Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your **taxable income.** ▶ → 6

Payments and tax

7 Federal income tax withheld from box 2 of your Form(s) W-2 → 7

8a **Earned income credit (EIC).** → 8a

b Nontaxable combat pay election. 8b

9 Credit for federal telephone excise tax paid. Attach Form 8913 if required. → 9

10 Add lines 7, 8a, and 9. These are your **total payments.** ▶ → 10

11 **Tax.** Use the amount on **line 6 above** to find your tax in the tax table on pages 24–32 of the booklet. Then, enter the tax from the table on this line → 11

Refund

Have it directly deposited! See page 18 and fill in 12b, 12c, and 12d or Form 8888

12a If line 10 is larger than line 11, subtract line 11 from line 10. This is your **refund.** If Form 8888 is attached, check here ▶ ☐ → 12a

▶ b Routing number ▶ c Type: ☐ Checking ☐ Savings

▶ d Account number

Amount you owe

13 If line 11 is larger than line 10, subtract line 10 from line 11. This is the **amount you owe.** For details on how to pay, see page 19 ▶ → 13

Third party designee

Do you want to allow another person to discuss this return with the IRS (see page 20)? ☐ Yes. Complete the following ☐ No

Designee's name ▶ | Phone no ▶ () | Personal identification number (PIN) ▶

Sign here

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Joint return? See page 11. Keep a copy for your records.

Your signature | Date | Your occupation | Daytime phone number ()

Spouse's signature. If a joint return, **both** must sign. | Date | Spouse's occupation

Paid preparer's use only

Preparer's signature | Date | Check if self-employed ☐ | Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code | EIN | Phone no ()

Use this form if

- Your filing status is single or married filing jointly If you are not sure about your filing status, see page 11
- You (and your spouse if married filing jointly) were under age 65 and not blind at the end of 2006 If you were born on January 1, 1942, you are considered to be age 65 at the end of 2006
- You do not claim any dependents. For information on dependents, use TeleTax topic 354 (see page 6)
- Your taxable income (line 6) is less than $100,000
- You do not claim any adjustments to income For information on adjustments to income, use TeleTax topics 451-453, 455, and 456 (see page 6)
- The only tax credits you can claim are the earned income credit and the credit for the federal telephone excise tax For information on credits, use TeleTax topics 601-608 and 610 (see page 6)
- You had only wages, salaries, tips, taxable scholarship or fellowship grants, unemployment compensation, or Alaska Permanent Fund dividends, and your taxable interest was not over $1,500. But if you earned tips, including allocated tips, that are not included in box 5 and box 7 of your Form W-2, you may not be able to use Form 1040EZ (see page 12) If you are planning to use Form 1040EZ for a child who received Alaska Permanent Fund dividends, see page 13
- You did not receive any advance earned income credit payments If you cannot use this form, use TeleTax topic 352 (see page 6)

Filling in your return

If you received a scholarship or fellowship grant or tax-exempt interest income, such as on municipal bonds, see the booklet before filling in the form Also, see the booklet if you received a Form 1099-INT showing federal income tax withheld or if federal income tax was withheld from your unemployment compensation or Alaska Permanent Fund dividends

For tips on how to avoid common mistakes, see page 20

Remember, you must report all wages, salaries, and tips even if you do not get a Form W-2 from your employer You must also report all your taxable interest, including interest from banks, savings and loans, credit unions, etc , even if you do not get a Form 1099-INT

Worksheet for dependents who checked one or both boxes on line 5

(keep a copy for your records)

Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married filing jointly) as a dependent, even if that person chooses not to do so To find out if someone can claim you as a dependent, use TeleTax topic 354 (see page 6)

A. Amount, if any, from line 1 on front . + 300 00 Enter total ▶ A.

B. Minimum standard deduction B. 850.00

C. Enter the **larger** of line A or line B here C.

D. Maximum standard deduction If **single,** enter $5,150; if **married filing jointly,** enter $10,300 D.

E. Enter the **smaller** of line C or line D here This is your standard deduction E.

F. Exemption amount
- If single, enter -0-
- If married filing jointly and–
 —both you and your spouse can be claimed as dependents, enter -0-
 —only one of you can be claimed as a dependent, enter $3,300

F.

G. Add lines E and F Enter the total here and on line 5 on the front . . . G.

If you did not check any boxes on line 5, enter on line 5 the amount shown below that applies to you

- Single, enter $8,450 This is the total of your standard deduction ($5,150) and your exemption ($3,300)
- Married filing jointly, enter $16,900. This is the total of your standard deduction ($10,300), your exemption ($3,300), and your spouse's exemption ($3,300)

Mailing return

Mail your return by **April 16, 2007.** If you live in Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont, or the District of Columbia, you have until April 17, 2007 Use the envelope that came with your booklet If you do not have that envelope or if you moved during the year, see the back cover for the address to use

Printed on recycled paper

SCHEDULES A&B (Form 1040)

Department of the Treasury Internal Revenue Service (99)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040. ▶ See Instructions for Schedules A&B (Form 1040).

OMB No 1545-0074

2006

Attachment Sequence No 07

Name(s) shown on Form 1040 | Your social security number

Medical and Dental Expenses		**Caution.** Do not include expenses reimbursed or paid by others		
	1	Medical and dental expenses (see page A-1)	1	
	2	Enter amount from Form 1040, line 38 \| 2 \|		
	3	Multiply line 2 by 7 5% (.075)	3	
	4	Subtract line 3 from line 1 If line 3 is more than line 1 enter -0-		4
Taxes You Paid (See page A-3)	5	State and local income taxes	5	
	6	Real estate taxes (see page A-3)	6	
	7	Personal property taxes	7	
	8	Other taxes List type and amount ▶	8	
	9	Add lines 5 through 8		9
Interest You Paid (See page A-3)	10	Home mortgage interest and points reported to you on Form 1098	10	
	11	Home mortgage interest not reported to you on Form 1098 If paid to the person from whom you bought the home, see page A-3 and show that person's name, identifying no , and address ▶	11	
Note. Personal interest is not deductible	12	Points not reported to you on Form 1098 See page A-4 for special rules	12	
	13	Investment interest Attach Form 4952 if required (See page A-4)	13	
	14	Add lines 10 through 13		14
Gifts to Charity	15	Gifts by cash or check If you made any gift of $250 or more, see page A-5	15	
If you made a gift and got a benefit for it, see page A-4	16	Other than by cash or check If any gift of $250 or more, see page A-5 You **must** attach Form 8283 if over $500	16	
	17	Carryover from prior year	17	
	18	Add lines 15 through 17		18
Casualty and Theft Losses	19	Casualty or theft loss(es) Attach Form 4684 (See page A-6)		19
Job Expenses and Certain Miscellaneous Deductions (See page A-6.)	20	Unreimbursed employee expenses—job travel, union dues, job education, etc Attach Form 2106 or 2106-EZ if required (See page A-6) ▶	20	
	21	Tax preparation fees,	21	
	22	Other expenses—investment, safe deposit box, etc List type and amount ▶	22	
	23	Add lines 20 through 22	23	
	24	Enter amount from Form 1040, line 38 \| 24 \|		
	25	Multiply line 24 by 2% (.02)	25	
	26	Subtract line 25 from line 23 If line 25 is more than line 23, enter -0-		26
Other Miscellaneous Deductions	27	Other—from list on page A-7 List type and amount ▶		27
Total Itemized Deductions	28	Is Form 1040, line 38, over $150,500 (over $75,250 if married filing separately)? ☐ **No.** Your deduction is not limited Add the amounts in the far right column for lines 4 through 27 Also, enter this amount on Form 1040, line 40 ▶ ☐ **Yes.** Your deduction may be limited See page A-7 for the amount to enter		28
	29	If you elect to itemize deductions even though they are less than your standard deduction check here ▶ ☐		

For Paperwork Reduction Act Notice, see Form 1040 Instructions. Cat No 11330X Schedule A (Form 1040) 2006

Schedules A&B (Form 1040) 2006 — OMB No 1545-0074 — Page 2

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side — Your social security number

Schedule B—Interest and Ordinary Dividends

Attachment Sequence No 08

Part I Interest

(See page B-1 and the instructions for Form 1040 line 8a.)

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

		Amount
1		
2	Add the amounts on line 1	
3	Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815	
4	Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶	

Note. If line 4 is over $1,500, you must complete Part III.

Part II Ordinary Dividends

(See page B-1 and the instructions for Form 1040, line 9a.)

5 List name of payer ▶

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

		Amount
5		
6	Add the amounts on line 5. Enter the total here and on Form 1040, line 9a ▶	

Note. If line 6 is over $1,500, you must complete Part III.

Part III Foreign Accounts and Trusts

(See page B-2.)

You must complete this part if you **(a)** had over $1,500 of taxable interest or ordinary dividends, or **(b)** had a foreign account, or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

		Yes	No
7a	At any time during 2006, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1		
b	If "Yes," enter the name of the foreign country ▶		
8	During 2006, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2		

For Paperwork Reduction Act Notice, see Form 1040 Instructions. — Schedule B (Form 1040) 2006

SCHEDULE C (Form 1040)

Department of the Treasury Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

▶ Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.

▶ Attach to Form 1040, 1040NR, or 1041. ▶ See instructions for Schedule C (Form 1040).

OMB No. 1545-0074 — 2006 — Attachment Sequence No 09

Name of proprietor — Social security number (SSN)

A Principal business or profession, including product or service (see page C-2 of the instructions) — B Enter code from pages C-8, 9, & 10 ▶

C Business name. If no separate business name, leave blank — D Employer ID number (EIN), if any

E Business address (including suite or room no.) ▶
City, town or post office, state, and ZIP code

F Accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2006? If "No," see page C-3 for limit on losses ☐ Yes ☐ No

H If you started or acquired this business during 2006, check here ▶ ☐

Part I Income

1	Gross receipts or sales. **Caution.** If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-3 and check here ▶ ☐	1	
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	
4	Cost of goods sold (from line 42 on page 2)	4	
5	**Gross profit.** Subtract line 4 from line 3	5	
6	Other income, including federal and state gasoline or fuel tax credit or refund (see page C-3)	6	
7	**Gross income.** Add lines 5 and 6 ▶	7	

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8	Advertising	8	18	Office expense	18
9	Car and truck expenses (see page C-4)	9	19	Pension and profit-sharing plans	19
10	Commissions and fees	10	20	Rent or lease (see page C-5):	
11	Contract labor (see page C-4)	11	a	Vehicles, machinery, and equipment	20a
12	Depletion	12	b	Other business property	20b
13	Depreciation and section 179 expense deduction (not included in Part III) (see page C-4)	13	21	Repairs and maintenance	21
14	Employee benefit programs (other than on line 19)	14	22	Supplies (not included in Part III)	22
15	Insurance (other than health)	15	23	Taxes and licenses	23
16	Interest:		24	Travel, meals, and entertainment:	
a	Mortgage (paid to banks, etc.)	16a	a	Travel	24a
b	Other	16b	b	Deductible meals and entertainment (see page C-6)	24b
17	Legal and professional services	17	25	Utilities	25
			26	Wages (less employment credits)	26
			27	Other expenses (from line 48 on page 2)	27
28	**Total expenses** before expenses for business use of home. Add lines 8 through 27 in columns ▶				28
29	Tentative profit (loss). Subtract line 28 from line 7				29
30	Expenses for business use of your home. Attach **Form 8829**				30
31	**Net profit or (loss).** Subtract line 30 from line 29 • If a profit, enter on both **Form 1040, line 12,** and **Schedule SE, line 2,** or on **Form 1040NR, line 13** (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. • If a loss, you **must** go to line 32.				31
32	If you have a loss, check the box that describes your investment in this activity (see page C-6). • If you checked 32a, enter the loss on both **Form 1040, line 12,** and **Schedule SE, line 2,** or on **Form 1040NR, line 13** (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you **must** attach **Form 6198.** Your loss may be limited.				32a ☐ All investment is at risk 32b ☐ Some investment is not at risk.

For Paperwork Reduction Act Notice, see page C-8 of the instructions. — Cat. No. 11334P — Schedule C (Form 1040) 2006

Part III Cost of Goods Sold (see page C-7)

33 Method(s) used to value closing inventory a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36	Purchases less cost of items withdrawn for personal use	36
37	Cost of labor. Do not include any amounts paid to yourself	37
38	Materials and supplies	38
39	Other costs	39
40	Add lines 35 through 39	40
41	Inventory at end of year	41
42	**Cost of goods sold.** Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-4 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ / /

44 Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for

a Business b Commuting (see instructions) c Other

45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If "Yes," is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8–26 or line 30.

48	**Total other expenses.** Enter here and on page 1, line 27	48

SCHEDULE C-EZ (Form 1040)

Department of the Treasury Internal Revenue Service

Net Profit From Business

(Sole Proprietorship)

▶ Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.

▶ Attach to Form 1040, 1040NR, or 1041. ▶ See Instructions on back.

OMB No. 1545-0074

2006

Attachment Sequence No. 09A

Name of proprietor | Social security number (SSN)

Part I General Information

You May Use Schedule C-EZ Instead of Schedule C Only If You:

- Had business expenses of $5,000 or less
- Use the cash method of accounting
- Did not have an inventory at any time during the year
- Did not have a net loss from your business
- Had only one business as either a sole proprietor or statutory employee

And You:

- Had no employees during the year
- Are not required to file **Form 4562**, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, on page C-4 to find out if you must file
- Do not deduct expenses for business use of your home
- Do not have prior year unallowed passive activity losses from this business

A Principal business or profession, including product or service

B Enter code from pages C-8, 9, & 10 ▶

C Business name. If no separate business name, leave blank

D Employer ID number (EIN), if any

E Business address (including suite or room no.). Address not required if same as on page 1 of your tax return

City, town or post office, state, and ZIP code

Part II Figure Your Net Profit

1 **Gross receipts. Caution.** If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see **Statutory Employees** in the instructions for Schedule C, line 1, on page C-3 and check here ▶ ☐ 1

2 **Total expenses** (see instructions). If more than $5,000, you **must** use Schedule C. 2

3 **Net profit.** Subtract line 2 from line 1. If less than zero, you **must** use Schedule C. Enter on both **Form 1040, line 12,** and **Schedule SE, line 2,** or on **Form 1040NR, line 13.** (Statutory employees **do not** report this amount on Schedule SE, line 2. Estates and trusts, enter on Form 1041, line 3.) 3

Part III Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 2.

4 When did you place your vehicle in service for business purposes? (month, day, year) ▶ / /

5 Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for

a Business b Commuting (see instructions) c Other

6 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

7 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

8a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If "Yes," is the evidence written? ☐ Yes ☐ No

Instructions

You can use Schedule C-EZ instead of Schedule C if you operated a business or practiced a profession as a sole proprietorship or you were a statutory employee and you have met all the requirements listed in Schedule C-EZ Part I.

Line A

Describe the business or professional activity that provided your principal source of income reported on line 1. Give the general field or activity and the type of product or service.

Line B

Enter the six-digit code that identifies your principal business or professional activity. See pages C-8 through C-10 of the Instructions for Schedule C for the list of codes.

Line D

You need an employer identification number (EIN) only if you had a qualified retirement plan or were required to file an employment, excise, estate, trust, or alcohol, tobacco, and firearms tax return. If you need an EIN, see the Instructions for Form SS-4. If you do not have an EIN, leave line D blank. Do not enter your SSN.

Line E

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any.

Line 1

Enter gross receipts from your trade or business. Include amounts you received in your trade or business that were properly shown on Forms 1099-MISC. If the total amounts that were reported in box 7 of Forms 1099-MISC are more than the total you are reporting on line 1, attach a statement explaining the difference. You must show all items of taxable income actually or constructively received during the year (in cash, property, or services). Income is constructively received when it is credited to your account or set aside for you to use. Do not offset this amount by any losses.

Line 2

Enter the total amount of all deductible business expenses you actually paid during the year. Examples of these expenses include advertising, car and truck expenses, commissions and fees, insurance, interest, legal and professional services, office expenses, rent or lease expenses, repairs and maintenance, supplies, taxes, travel, the allowable percentage of business meals and entertainment, and utilities (including telephone). For details, see the Instructions for Schedule C, Parts II and V, on pages C-3 through C-8. If you wish, you can use the optional worksheet below to record your expenses. Enter on lines **b** through **g** the type and amount of expenses not included on line **a**.

If you claim car or truck expenses, be sure to complete Schedule C-EZ, Part III.

Line 5b

Generally, commuting is travel between your home and a work location. If you converted your vehicle during the year from personal to business use (or vice versa), enter your commuting miles only for the period you drove your vehicle for business. For information on certain travel that is considered a business expense rather than commuting, see the Instructions for Form 2106.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is approved under OMB control number 1545-1973 and is shown below.

Recordkeeping	45 min
Learning about the law or the form	4 min
Preparing the form	35 min
Copying, assembling, and sending the form to the IRS	20 min

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Optional Worksheet for Line 2 (keep a copy for your records)

a	Deductible business meals and entertainment (see pages C-5 and C-6)	a
b		b
c		c
d		d
e		e
f		f
g		g
h	**Total.** Add lines a through g. Enter here and on line 2	h

SCHEDULE D (Form 1040)
Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR. ▶ See Instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074
2006
Attachment Sequence No. 12

Name(s) shown on return | Your social security number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1						
2	Enter your short-term totals, if any, from Schedule D-1, line 2			2		
3	**Total short-term sales price amounts.** Add lines 1 and 2 in column (d)			3		
4	Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824					4
5	Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					5
6	Short-term capital loss carryover. Enter the amount, if any, from line 10 of your **Capital Loss Carryover Worksheet** on page D-7 of the instructions					6 ()
7	**Net short-term capital gain or (loss).** Combine lines 1 through 6 in column (f)					7

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8						
9	Enter your long-term totals, if any, from Schedule D-1, line 9			9		
10	**Total long-term sales price amounts.** Add lines 8 and 9 in column (d)			10		
11	Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824					11
12	Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					12
13	Capital gain distributions. See page D-2 of the instructions					13
14	Long-term capital loss carryover. Enter the amount, if any, from line 15 of your **Capital Loss Carryover Worksheet** on page D-7 of the instructions					14 ()
15	**Net long-term capital gain or (loss).** Combine lines 8 through 14 in column (f). Then go to Part III on the back					15

Part III Summary

16 Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below 16

17 Are lines 15 and 16 **both** gains?
- ☐ **Yes.** Go to line 18
- ☐ **No.** Skip lines 18 through 21, and go to line 22

18 Enter the amount, if any, from line 7 of the **28% Rate Gain Worksheet** on page D-8 of the instructions ▶ 18

19 Enter the amount, if any, from line 18 of the **Unrecaptured Section 1250 Gain Worksheet** on page D-9 of the instructions ▶ 19

20 Are lines 18 and 19 **both** zero or blank?
- ☐ **Yes.** Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the **Qualified Dividends and Capital Gain Tax Worksheet** on page 38 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR). **Do not** complete lines 21 and 22 below
- ☐ **No.** Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the **Schedule D Tax Worksheet** on page D-10 of the instructions. **Do not** complete lines 21 and 22 below

21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the **smaller** of
- The loss on line 16 or
- ($3,000), or if married filing separately, ($1,500)

. 21 ()

Note. When figuring which amount is smaller, treat both amounts as positive numbers

22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?
- ☐ **Yes.** Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the **Qualified Dividends and Capital Gain Tax Worksheet** on page 38 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR)
- ☐ **No.** Complete the rest of Form 1040 or Form 1040NR

SCHEDULE E (Form 1040)

Department of the Treasury Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2006

Attachment Sequence No. 13

Name(s) shown on return | Your social security number

Part I Income or Loss From Rental Real Estate and Royalties **Note.** If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). Report farm rental income or loss from Form 4835 on page 2, line 40.

1 List the type and location of each **rental real estate property:**
- A
- B
- C

2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of
- 14 days **or**
- 10% of the total days rented at fair rental value?

(See page E-3.)

	Yes	No
A		
B		
C		

Income:	Properties A	Properties B	Properties C	Totals (Add columns A, B, and C)
3 Rents received	3			3
4 Royalties received	4			4
Expenses:				
5 Advertising	5			
6 Auto and travel (see page E-4)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks etc. (see page E-4)	12			12
13 Other interest	13			
14 Repairs	14			
15 Supplies	15			
16 Taxes	16			
17 Utilities	17			
18 Other (list) ▶	18			
19 Add lines 5 through 18	19			19
20 Depreciation expense or depletion (see page E-4)	20			20
21 Total expenses. Add lines 19 and 20	21			
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file **Form 6198**	22			
23 Deductible rental real estate loss. **Caution.** Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file **Form 8582.** Real estate professionals must complete line 43 on page 2	23 ()	()	()	

24 **Income.** Add positive amounts shown on line 22. **Do not** include any losses 24

25 **Losses.** Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here 25 ()

26 **Total rental real estate and royalty income or (loss).** Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2 26

Schedule E (Form 1040) 2006 — Attachment Sequence No 13 — Page 2

Name(s) shown on return. Do not enter name and social security number if shown on other side — Your social security number

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See page E-1

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☐ No
If you answered "Yes," see page E-6 before completing this section

28	(a) Name	(b) Enter P for partnership, S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A			☐		
B			☐		
C			☐		
D			☐		

	Passive Income and Loss		Nonpassive Income and Loss		
	(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A					
B					
C					
D					
29a Totals					
b Totals					

30	Add columns (g) and (j) of line 29a	30	
31	Add columns (f), (h), and (i) of line 29b	31	()
32	**Total partnership and S corporation income or (loss).** Combine lines 30 and 31. Enter the result here and include in the total on line 41 below	32	

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer identification number
A		
B		

	Passive Income and Loss		Nonpassive Income and Loss	
	(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A				
B				
34a Totals				
b Totals				

35	Add columns (d) and (f) of line 34a	35	
36	Add columns (c) and (e) of line 34b	36	()
37	**Total estate and trust income or (loss).** Combine lines 35 and 36. Enter the result here and include in the total on line 41 below	37	

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see page E-7)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b

39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below	39	

Part V Summary

40	Net farm rental income or (loss) from **Form 4835**. Also, complete line 42 below	40	
41	**Total income or (loss).** Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18 ▶	41	
42	**Reconciliation of farming and fishing income.** Enter your **gross** farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code T; and Schedule K-1 (Form 1041), line 14, code F (see page E-7)	42	
43	**Reconciliation for real estate professionals.** If you were a real estate professional (see page E-1), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

Schedule E (Form 1040) 2006

SCHEDULE EIC (Form 1040A or 1040)

Department of the Treasury Internal Revenue Service (99)

Earned Income Credit

Qualifying Child Information

Complete and attach to Form 1040A or 1040 only if you have a qualifying child.

OMB No 1545-0074

2006

Attachment Sequence No 43

Name(s) shown on return — Your social security number

Before you begin: See the instructions for Form 1040A, lines 40a and 40b, or Form 1040, lines 66a and 66b, to make sure that **(a)** you can take the EIC, and **(b)** you have a qualifying child.

CAUTION

- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.

Qualifying Child Information	Child 1	Child 2
1 Child's name If you have more than two qualifying children, you only have to list two to get the maximum credit.	First name Last name	First name Last name
2 Child's SSN The child must have an SSN as defined on page 43 of the Form 1040A instructions or page 49 of the Form 1040 instructions unless the child was born and died in 2006. If your child was born and died in 2006 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.		
3 Child's year of birth	Year ____ ____ ____ ____ *If born after 1987, skip lines 4a and 4b; go to line 5.*	Year ____ ____ ____ ____ *If born after 1987, skip lines 4a and 4b; go to line 5.*
4 If the child was born before 1988—		
a Was the child under age 24 at the end of 2006 and a student?	☐ Yes. *Go to line 5.* ☐ No. *Continue.*	☐ Yes. *Go to line 5.* ☐ No. *Continue.*
b Was the child permanently and totally disabled during any part of 2006?	☐ Yes. *Continue.* ☐ No. The child is not a qualifying child.	☐ Yes. *Continue.* ☐ No. The child is not a qualifying child.
5 Child's relationship to you (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)		
6 Number of months child lived with you in the United States during 2006 • If the child lived with you for more than half of 2006 but less than 7 months, enter "7." • If the child was born or died in 2006 and your home was the child's home for the entire time he or she was alive during 2006, enter "12."	____ months *Do not enter more than 12 months.*	____ months *Do not enter more than 12 months.*

TIP

You may also be able to take the additional child tax credit if your child **(a)** was under age 17 at the end of 2006, **and (b)** is a U.S. citizen or resident alien. For more details, see the instructions for line 41 of Form 1040A or line 68 of Form 1040.

For Paperwork Reduction Act Notice, see Form 1040A or 1040 instructions. — Cat No 13339M — Schedule EIC (Form 1040A or 1040) 2006

Purpose of Schedule

After you have figured your earned income credit (EIC), use Schedule EIC to give the IRS information about your qualifying child(ren).

To figure the amount of your credit or to have the IRS figure it for you, see the instructions for Form 1040A, lines 40a and 40b, or Form 1040, lines 66a and 66b.

Taking the EIC when not eligible. If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. You may also have to pay penalties.

Qualifying Child

A qualifying child for the EIC is a child who is your . . .

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)

AND

was . . .

Under age 19 at the end of 2006
or
Under age 24 at the end of 2006 and a student
or
Any age and permanently and totally disabled

AND

who . . .

Lived with you in the United States for more than half of 2006. If the child did not live with you for the required time, see *Exception to time lived with you* beginning on page 42 of the Form 1040A instructions or page 49 of the Form 1040 instructions

CAUTION

If the child was married or meets the conditions to be a qualifying child of another person (other than your spouse if filing a joint return), special rules apply. For details, see page 43 of the Form 1040A instructions or page 49 of the Form 1040 instructions.

Do you want part of the EIC added to your take-home pay in 2007? To see if you qualify, get Form W-5 from your employer, call the IRS at 1-800-TAX-FORM (1-800-829-3676), or go to *www.irs.gov*.

SCHEDULE F (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B

▶ See Instructions for Schedule F (Form 1040).

OMB No 1545-0074

2006

Attachment Sequence No **14**

Name of proprietor | Social security number (SSN)

A Principal product. Describe in one or two words your principal crop or activity for the current tax year | B Enter code from Part IV ▶

C Accounting method (1) ☐ Cash (2) ☐ Accrual | D Employer ID number (EIN), if any

E Did you "materially participate" in the operation of this business during 2006? If "No," see page F-2 for limit on passive losses ☐ Yes ☐ No

Part I Farm Income—Cash Method. Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 11.) Do not include sales of livestock held for draft, breeding, sport, or dairy purposes. Report these sales on Form 4797

1	Sales of livestock and other items you bought for resale	1		
2	Cost or other basis of livestock and other items reported on line 1	2		
3	Subtract line 2 from line 1			3
4	Sales of livestock, produce, grains and other products you raised			4
5a	Cooperative distributions (Form(s) 1099-PATR)	5a	5b Taxable amount	5b
6a	Agricultural program payments (see page F-3)	6a	6b Taxable amount	6b
7	Commodity Credit Corporation (CCC) loans (see page F-3)			
a	CCC loans reported under election			7a
b	CCC loans forfeited	7b	7c Taxable amount	7c
8	Crop insurance proceeds and federal crop disaster payments (see page F-3)			
a	Amount received in 2006	8a	8b Taxable amount	8b
c	If election to defer to 2007 is attached, check here ▶ ☐		8d Amount deferred from 2005	8d
9	Custom hire (machine work) income			9
10	Other income, including federal and state gasoline or fuel tax credit or refund (see page F-3)			10
11	**Gross income.** Add amounts in the right column for lines 3 through 10. If you use the accrual method, enter the amount from Part III, line 51 ▶			11

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses such as taxes, insurance, or repairs on your home.

12	Car and truck expenses (see page F-4). Also attach Form 4562	12		25	Pension and profit-sharing plans	25	
13	Chemicals	13		26	Rent or lease (see page F-5):		
14	Conservation expenses (see page F-4)	14		a	Vehicles, machinery, and equipment	26a	
15	Custom hire (machine work)	15		b	Other (land, animals, etc.)	26b	
16	Depreciation and section 179 expense deduction not claimed elsewhere (see page F-4)	16		27	Repairs and maintenance	27	
17	Employee benefit programs other than on line 25	17		28	Seeds and plants	28	
18	Feed	18		29	Storage and warehousing	29	
19	Fertilizers and lime	19		30	Supplies	30	
20	Freight and trucking	20		31	Taxes	31	
21	Gasoline, fuel, and oil	21		32	Utilities	32	
22	Insurance (other than health)	22		33	Veterinary, breeding, and medicine	33	
23	Interest			34	Other expenses (specify)		
a	Mortgage (paid to banks, etc.)	23a		a		34a	
b	Other	23b		b		34b	
24	Labor hired (less employment credits)	24		c		34c	
				d		34d	
				e		34e	
				f		34f	
35	**Total expenses.** Add lines 12 through 34f. If line 34f is negative, see instructions					▶ 35	
36	**Net farm profit or (loss).** Subtract line 35 from line 11. • If a profit, enter the profit on **Form 1040, line 18,** and **also** on **Schedule SE, line 1.** If you file Form 1040NR, enter the profit on **Form 1040NR, line 19.** • If a loss, you **must** go to line 37. Estates, trusts, and partnerships, see page F-6						36
37	If you have a loss, you **must** check the box that describes your investment in this activity (see page F-6). • If you checked 37a, enter the loss on **Form 1040, line 18,** and **also** on **Schedule SE, line 1.** If you file Form 1040NR, enter the loss on **Form 1040NR, line 19.** • If you checked 37b, you **must** attach **Form 6198.** Your loss may be limited						37a ☐ All investment is at risk 37b ☐ Some investment is not at risk

Part III **Farm Income—Accrual Method** (see page F-7).

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes. Report these sales on Form 4797 and do not include this livestock on line 46 below.

38	Sales of livestock, produce, grains, and other products			38	
39a	Cooperative distributions (Form(s) 1099-PATR)	39a	39b Taxable amount	39b	
40a	Agricultural program payments	40a	40b Taxable amount	40b	
41	Commodity Credit Corporation (CCC) loans				
a	CCC loans reported under election			41a	
b	CCC loans forfeited	41b	41c Taxable amount	41c	
42	Crop insurance proceeds			42	
43	Custom hire (machine work) income			43	
44	Other income, including federal and state gasoline or fuel tax credit or refund			44	
45	Add amounts in the right column for lines 38 through 44			45	
46	Inventory of livestock, produce, grains, and other products at beginning of the year	48			
47	Cost of livestock, produce, grains, and other products purchased during the year	47			
48	Add lines 46 and 47	48			
49	Inventory of livestock, produce, grains, and other products at end of year	49			
50	Cost of livestock, produce, grains, and other products sold. Subtract line 49 from line 48*			50	
51	**Gross income.** Subtract line 50 from line 45. Enter the result here and on Part I, line 11 ▶			51	

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 49 is larger than the amount on line 48, subtract line 48 from line 49. Enter the result on line 50. Add lines 45 and 50. Enter the total on line 51 and on Part I, line 11.

Part IV **Principal Agricultural Activity Codes**

File Schedule C (Form 1040) or Schedule C-EZ (Form 1040) instead of Schedule F if ***(a)*** *your principal source of income is from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis, or* ***(b)*** *you are engaged in the business of breeding, raising, and caring for dogs, cats, or other pet animals.*

These codes for the Principal Agricultural Activity classify farms by their primary activity to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the code that best identifies your primary farming activity and enter the six digit number on page 1, line B.

Crop Production

111100 Oilseed and grain farming
111210 Vegetable and melon farming
111300 Fruit and tree nut farming
111400 Greenhouse, nursery, and floriculture production
111900 Other crop farming

Animal Production

112111 Beef cattle ranching and farming
112112 Cattle feedlots
112120 Dairy cattle and milk production
112210 Hog and pig farming
112300 Poultry and egg production
112400 Sheep and goat farming
112510 Animal aquaculture
112900 Other animal production

Forestry and Logging

113000 Forestry and logging (including forest nurseries and timber tracts)

SCHEDULE H (Form 1040)

Department of the Treasury Internal Revenue Service (99)

Household Employment Taxes

(For Social Security, Medicare, Withheld Income, and Federal Unemployment (FUTA) Taxes)

▶ Attach to Form 1040, 1040NR, 1040-SS, or 1041.

▶ See separate instructions.

OMB No. 1545-1971

2006

Attachment Sequence No. 44

Name of employer

Social security number

Employer identification number

A Did you pay **any one** household employee cash wages of $1,500 or more in 2006? (If any household employee was your spouse, your child under age 21, your parent, or anyone under age 18, see the line A instructions on page H-3 before you answer this question.)

☐ **Yes.** Skip lines B and C and go to line 1.
☐ **No.** Go to line B.

B Did you withhold federal income tax during 2006 for any household employee?

☐ **Yes.** Skip line C and go to line 5.
☐ **No.** Go to line C.

C Did you pay **total** cash wages of $1,000 or more in **any** calendar **quarter** of 2005 or 2006 to **all** household employees? (**Do not** count cash wages paid in 2005 or 2006 to your spouse, your child under age 21, or your parent.)

☐ **No. Stop.** Do not file this schedule.
☐ **Yes.** Skip lines 1-9 and go to line 10 on the back. (Calendar year taxpayers having no household employees in 2006 **do not** have to complete this form for 2006.)

Part I **Social Security, Medicare, and Income Taxes**

1	Total cash wages subject to social security taxes (see page H-4)	1	
2	Social security taxes. Multiply line 1 by 12.4% (.124)		2
3	Total cash wages subject to Medicare taxes (see page H-4)	3	
4	Medicare taxes. Multiply line 3 by 2.9% (.029)		4
5	Federal income tax withheld, if any		5
6	**Total social security, Medicare, and income taxes.** Add lines 2, 4, and 5		6
7	Advance earned income credit (EIC) payments, if any		7
8	**Net taxes** (subtract line 7 from line 6)		8

9 Did you pay **total** cash wages of $1,000 or more in **any** calendar **quarter** of 2005 or 2006 to household employees? (**Do not** count cash wages paid in 2005 or 2006 to your spouse, your child under age 21, or your parent.)

☐ **No. Stop.** Enter the amount from line 8 above on Form 1040, line 62. If you are not required to file Form 1040, see the line 9 instructions on page H-4.

☐ **Yes.** Go to line 10 on the back.

Part II Federal Unemployment (FUTA) Tax

		Yes	No
10	Are you required to pay unemployment contributions to only one state?	10	
11	Did you pay all state unemployment contributions for 2006 by April 18, 2007? Fiscal year filers, see page H-4	11	
12	Were all wages that are taxable for FUTA tax also taxable for your state's unemployment tax?	12	

Next: If you checked the **"Yes"** box on **all** the lines above, complete Section A
If you checked the **"No"** box on **any** of the lines above, skip Section A and complete Section B

Section A

13	Name of the state where you paid unemployment contributions ▶		
14	State reporting number as shown on state unemployment tax return ▶		
15	Contributions paid to your state unemployment fund (see page H-4)	15	
16	Total cash wages subject to FUTA tax (see page H-4)		16
17	**FUTA tax.** Multiply line 16 by .008. Enter the result here, skip Section B, and go to line 26		17

Section B

18 Complete all columns below that apply (if you need more space, see page H-5)

(a) Name of state	(b) State reporting number as shown on state unemployment tax return	(c) Taxable wages (as defined in state act)	(d) State experience rate period From	(d) State experience rate period To	(e) State experience rate	(f) Multiply col. (c) by .054	(g) Multiply col. (c) by col. (e)	(h) Subtract col. (g) from col. (f). If zero or less, enter -0-	(i) Contributions paid to state unemployment fund

19	Totals	19	
20	Add columns (h) and (i) of line 19	20	
21	Total cash wages subject to FUTA tax (see the line 16 instructions on page H-4)		21
22	Multiply line 21 by 6.2% (.062)		22
23	Multiply line 21 by 5.4% (.054)	23	
24	Enter the **smaller** of line 20 or line 23		24
25	**FUTA tax.** Subtract line 24 from line 22. Enter the result here and go to line 26		25

Part III Total Household Employment Taxes

26	Enter the amount from line 8. If you checked the "Yes" box on line C of page 1, enter -0-	26
27	Add line 17 (or line 25) and line 26	27

28 Are you required to file Form 1040?

☐ **Yes.** **Stop.** Enter the amount from line 27 above on Form 1040, line 62. **Do not** complete Part IV below.

☐ **No.** You may have to complete Part IV. See page H-5 for details.

Part IV Address and Signature—Complete this part **only** if required. See the line 28 instructions on page H-5.

Address (number and street) or P.O. box if mail is not delivered to street address — Apt., room, or suite no.

City, town or post office, state, and ZIP code

Under penalties of perjury, I declare that I have examined this schedule, including accompanying statements, and to the best of my knowledge and belief, it is true, correct, and complete. No part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments to employees.

▶ Employer's signature — ▶ Date

Schedule R (Form 1040)
Department of the Treasury Internal Revenue Service (99)

Credit for the Elderly or the Disabled

▶ Attach to Form 1040. ▶ See instructions for Schedule R (Form 1040).

OMB No. 1545-0074
2006
Attachment Sequence No. 16

Name(s) shown on Form 1040 — Your social security number

You may be able to take this credit and reduce your tax if by the end of 2006:

- You were age 65 or older **or**
- You were under age 65, you retired on **permanent and total** disability, and you received taxable disability income.

But you must also meet other tests. See page R-1.

TIP In most cases, the IRS can figure the credit for you. See page R-1.

Part I Check the Box for Your Filing Status and Age

If your filing status is:	And by the end of 2006:		Check only one box:
Single, Head of household, or Qualifying widow(er)	1	You were 65 or older	☐
	2	You were under 65 and you retired on permanent and total disability	☐
Married filing jointly	3	Both spouses were 65 or older	☐
	4	Both spouses were under 65, but only one spouse retired on permanent and total disability	☐
	5	Both spouses were under 65, and both retired on permanent and total disability	☐
	6	One spouse was 65 or older, and the other spouse was under 65 and retired on permanent and total disability	☐
	7	One spouse was 65 or older, and the other spouse was under 65 and **not** retired on permanent and total disability	☐
Married filing separately	8	You were 65 or older and you lived apart from your spouse for all of 2006	☐
	9	You were under 65, you retired on permanent and total disability, and you lived apart from your spouse for all of 2006	☐

Did you check box 1, 3, 7, or 8?
- **Yes** ▶ Skip Part II and complete Part III on back.
- **No** ▶ Complete Parts II and III.

Part II Statement of Permanent and Total Disability (Complete **only** if you checked box 2, 4, 5, 6, or 9 above.)

If: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed or got a statement for tax years after 1983 and your physician signed line B on the statement, **and**

2 Due to your continued disabled condition, you were unable to engage in any substantial gainful activity in 2006, check this box ▶ ☐

- If you checked this box, you do not have to get another statement for 2006.
- If you **did not** check this box, have your physician complete the statement on page R-4. You **must** keep the statement for your records.

Part III Figure Your Credit

10 If you checked (in Part I): Enter:
Box 1, 2, 4, or 7 $5,000
Box 3, 5, or 6 $7,500
Box 8 or 9 $3,750
. 10

Did you check box 2, 4, 5, 6, or 9 in Part I?
Yes → You **must** complete line 11.
No → Enter the amount from line 10 on line 12 and go to line 13.

11 If you checked (in Part I):
- Box 6, add $5,000 to the taxable disability income of the spouse who was under age 65. Enter the total.
- Box 2, 4, or 9, enter your taxable disability income.
- Box 5, add your taxable disability income to your spouse's taxable disability income. Enter the total.

. 11

TIP For more details on what to include on line 11, see page R-3.

12 If you completed line 11, enter the **smaller** of line 10 or line 11, **all others,** enter the amount from line 10 12

13 Enter the following pensions, annuities, or disability income that you (and your spouse if filing a joint return) received in 2006.

a Nontaxable part of social security benefits and Nontaxable part of railroad retirement benefits treated as social security (see page R-3). . . 13a

b Nontaxable veterans' pensions and Any other pension, annuity, or disability benefit that is excluded from income under any other provision of law (see page R-3). . . 13b

c Add lines 13a and 13b. (Even though these income items are not taxable, they **must** be included here to figure your credit.) If you did not receive any of the types of nontaxable income listed on line 13a or 13b, enter -0- on line 13c 13c

14 Enter the amount from Form 1040, line 38 14

15 If you checked (in Part I): Enter:
Box 1 or 2 $7,500
Box 3, 4, 5, 6, or 7 . . . $10,000
Box 8 or 9 $5,000
15

16 Subtract line 15 from line 14. If zero or less, enter -0- 16

17 Enter one-half of line 16 17

18 Add lines 13c and 17 18

19 Subtract line 18 from line 12. If zero or less, **stop;** you **cannot** take the credit. Otherwise, go to line 20 19

20 Multiply line 19 by 15% (.15) 20

21 Enter the amount from Form 1040, line 46 21

22 Add the amounts from Form 1040, lines 47 and 48, and enter the total 22

23 Subtract line 22 from line 21 23

24 **Credit for the elderly or the disabled.** Enter the **smaller** of line 20 or line 23 here and on Form 1040, line 49 24

SCHEDULE SE (Form 1040)
Department of the Treasury Internal Revenue Service (99)

Self-Employment Tax

▶ Attach to Form 1040. ▶ See Instructions for Schedule SE (Form 1040).

OMB No 1545-0074
2006
Attachment Sequence No 17

Name of person with **self-employment** income (as shown on Form 1040) | Social security number of person with **self-employment** income ▶

Who Must File Schedule SE

You must file Schedule SE if

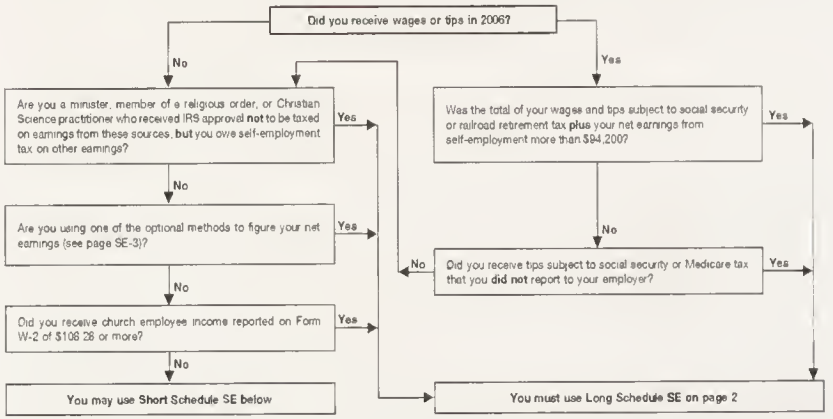
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of $400 or more, **or**
- You had church employee income of $108 28 or more Income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1)

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-3).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order or Christian Science practitioner **and** you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE Instead, write "Exempt-Form 4361" on Form 1040, line 58

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart **only if** you must file Schedule SE If unsure, see Who Must File Schedule SE, above



Section A—Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1 Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A 1

2 Net profit or (loss) from Schedule C, line 31, Schedule C-EZ, line 3, Schedule K-1 (Form 1065), box 14, code A (other than farming), and Schedule K-1 (Form 1065-B), box 9, code J1 Ministers and members of religious orders, see page SE-1 for amounts to report on this line See page SE-3 for other income to report 2

3 Combine lines 1 and 2 3

4 **Net earnings from self-employment.** Multiply line 3 by 92 35% (.9235) If less than $400, **do not** file this schedule, you do not owe self-employment tax ▶ 4

5 **Self-employment tax.** If the amount on line 4 is
- $94,200 or less, multiply line 4 by 15 3% (.153) Enter the result here and on **Form 1040, line 58.**
- More than $94,200, multiply line 4 by 2 9% (.029) Then, add $11,680 80 to the result Enter the total here and on **Form 1040, line 58.**

. . . 5

6 **Deduction for one-half of self-employment tax.** Multiply line 5 by 50% (.5) Enter the result here and on **Form 1040, line 27** . . . 6

Schedule SE (Form 1040) 2006 — Attachment Sequence No. 17 — Page 2

Name of person with **self-employment** income (as shown on Form 1040) | Social security number of person with **self-employment** income ▶

Section B—Long Schedule SE

Part I Self-Employment Tax

Note. If your only income subject to self-employment tax is **church employee income,** skip lines 1 through 4b. Enter -0- on line 4c and go to line 5a. Income from services you performed as a minister or a member of a religious order **is not** church employee income. See page SE-1.

A If you are a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361, but you had $400 or more of **other** net earnings from self-employment, check here and continue with Part I ▶

1 Net farm profit or (loss) from Schedule F, line 36, and farm partnerships; Schedule K-1 (Form 1065), box 14, code A. **Note.** Skip this line if you use the farm optional method (see page SE-4) — 1

2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065) box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-3 for other income to report. **Note.** Skip this line if you use the nonfarm optional method (see page SE-4) — 2

3 Combine lines 1 and 2 — 3

4a If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3 — 4a

b If you elect one or both of the optional methods, enter the total of lines 15 and 17 here . . . — 4b

c Combine lines 4a and 4b. If less than $400, **stop**; you do not owe self-employment tax. **Exception.** If less than $400 and you had **church employee income,** enter -0- and continue. ▶ — 4c

5a Enter your **church employee income** from Form W-2. See page SE-1 for definition of church employee income — 5a

b Multiply line 5a by 92.35% (.9235). If less than $100, enter -0- — 5b

6 **Net earnings from self-employment.** Add lines 4c and 5b — 6

7 Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2006 — 7 — 94,200 00

8a Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If $94,200 or more, skip lines 8b through 10, and go to line 11 — 8a

b Unreported tips subject to social security tax (from Form 4137, line 9) — 8b

c Add lines 8a and 8b — 8c

9 Subtract line 8c from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 . ▶ — 9

10 Multiply the **smaller** of line 6 or line 9 by 12.4% (.124) — 10

11 Multiply line 6 by 2.9% (.029) — 11

12 **Self-employment tax.** Add lines 10 and 11. Enter here and on **Form 1040, line 58** — 12

13 **Deduction for one-half of self-employment tax.** Multiply line 12 by 50% (.5). Enter the result here and on **Form 1040, line 27** — 13

Part II Optional Methods To Figure Net Earnings (see page SE-3)

Farm Optional Method. You may use this method **only** if **(a)** your gross farm income[1] was not more than $2,400, **or (b)** your net farm profits[2] were less than $1,733.

14 Maximum income for optional methods — 14 — 1,600 00

15 Enter the **smaller** of: two-thirds (⅔) of gross farm income[1] (not less than zero) **or** $1,600. Also include this amount on line 4b above — 15

Nonfarm Optional Method. You may use this method **only** if **(a)** your net nonfarm profits[3] were less than $1,733 and also less than 72.189% of your gross nonfarm income,[4] **and (b)** you had net earnings from self-employment of at least $400 in 2 of the prior 3 years.

Caution. You may use this method no more than five times.

16 Subtract line 15 from line 14 — 16

17 Enter the **smaller** of: two-thirds (⅔) of gross nonfarm income[4] (not less than zero) **or** the amount on line 16. Also include this amount on line 4b above — 17

[1] From Sch. F, line 11, and Sch. K-1 (Form 1065), box 14, code B

[2] From Sch. F, line 36, and Sch. K-1 (Form 1065), box 14, code A

[3] From Sch. C, line 31; Sch. C-EZ, line 3; Sch. K-1 (Form 1065), box 14, code A; and Sch. K-1 (Form 1065-B), box 9, code J1

[4] From Sch. C, line 7; Sch. C-EZ, line 1; Sch. K-1 (Form 1065), box 14, code C; and Sch. K-1 (Form 1065-B), box 9, code J2

Schedule SE (Form 1040) 2006

Form **2106** — Department of the Treasury, Internal Revenue Service (99)

Employee Business Expenses

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

2006

Attachment Sequence No. **54**

Your name | Occupation in which you incurred expenses | Social security number

Part I Employee Business Expenses and Reimbursements

Step 1 Enter Your Expenses

		Column A: Other Than Meals and Entertainment	Column B: Meals and Entertainment
1	Vehicle expense from line 22 or line 29. (Rural mail carriers: See instructions.)	1	
2	Parking fees, tolls, and transportation, including train, bus, etc., that **did not** involve overnight travel or commuting to and from work	2	
3	Travel expense while away from home overnight, including lodging, airplane, car rental, etc. **Do not** include meals and entertainment	3	
4	Business expenses not included on lines 1 through 3. **Do not** include meals and entertainment.	4	
5	Meals and entertainment expenses (see instructions)	5	
6	**Total expenses.** In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5	6	

Note: *If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.*

Step 2 Enter Reimbursements Received From Your Employer for Expenses Listed in Step 1

7	Enter reimbursements received from your employer that were **not** reported to you in box 1 of Form W-2. Include any reimbursements reported under code "L" in box 12 of your Form W-2 (see instructions)	7	

Step 3 Figure Expenses To Deduct on Schedule A (Form 1040)

8	Subtract line 7 from line 6. If zero or less, enter -0-. However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040, line 7 (or on Form 1040NR, line 8)	8	
	Note: *If* ***both columns*** *of line 8 are zero, you cannot deduct employee business expenses. Stop here and attach Form 2106 to your return.*		
9	In Column A, enter the amount from line 8. In Column B, multiply line 8 by 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 75% (.75) instead of 50%. For details, see instructions.)	9	

10 Add the amounts on line 9 of both columns and enter the total here. **Also, enter the total on Schedule A (Form 1040), line 20** (or on Schedule A (Form 1040NR), line 9). (Reservists, qualified performing artists, fee-basis state or local government officials, and individuals with disabilities: See the instructions for special rules on where to enter the total.) ▶ 10

For Paperwork Reduction Act Notice, see instructions. — Cat. No. 11700N — Form **2106** (2006)

Form 2106 (2006) Page 2

Part II Vehicle Expenses

Section A—General Information (You must complete this section if you are claiming vehicle expenses.)

		(a) Vehicle 1	(b) Vehicle 2
11	Enter the date the vehicle was placed in service	11 / /	/ /
12	Total miles the vehicle was driven during 2006	12 miles	miles
13	Business miles included on line 12	13 miles	miles
14	Percent of business use Divide line 13 by line 12	14 %	%
15	Average daily roundtrip commuting distance	15 miles	miles
16	Commuting miles included on line 12	16 miles	miles
17	Other miles Add lines 13 and 16 and subtract the total from line 12	17 miles	miles
18	Do you (or your spouse) have another vehicle available for personal use?	☐ Yes ☐ No	
19	Was your vehicle available for personal use during off-duty hours?	☐ Yes ☐ No	
20	Do you have evidence to support your deduction?	☐ Yes ☐ No	
21	If "Yes," is the evidence written?	☐ Yes ☐ No	

Section B—Standard Mileage Rate (See the instructions for Part II to find out whether to complete this section or Section C.)

22 Multiply line 13b by 44.5¢ (.445) 22

Section C—Actual Expenses

		(a) Vehicle 1	(b) Vehicle 2
23	Gasoline, oil, repairs, vehicle insurance, etc	23	
24a	Vehicle rentals	24a	
b	Inclusion amount (see instructions)	24b	
c	Subtract line 24b from line 24a	24c	
25	Value of employer-provided vehicle (applies only if 100% of annual lease value was included on Form W-2—see instructions)	25	
26	Add lines 23, 24c and 25	26	
27	Multiply line 26 by the percentage on line 14	27	
28	Depreciation (see instructions)	28	
29	Add lines 27 and 28 Enter total here and on line 1	29	

Section D—Depreciation of Vehicles (Use this section only if you owned the vehicle and are completing Section C for the vehicle.)

		(a) Vehicle 1	(b) Vehicle 2
30	Enter cost or other basis (see instructions)	30	
31	Enter section 179 deduction (see instructions)	31	
32	Multiply line 30 by line 14 (see instructions if you claimed the section 179 deduction or special allowance)	32	
33	Enter depreciation method and percentage (see instructions)	33	
34	Multiply line 32 by the percentage on line 33 (see instructions)	34	
35	Add lines 31 and 34	35	
36	Enter the applicable limit explained in the line 36 instructions	36	
37	Multiply line 36 by the percentage on line 14	37	
38	Enter the **smaller** of line 35 or line 37 If you skipped lines 36 and 37, enter the amount from line 35 Also enter this amount on line 28 above	38	

Form **2106** (2006)

Form **2441** — **Child and Dependent Care Expenses**

Department of the Treasury Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1040NR.

▶ See separate instructions.

OMB No 1545-0074

2006

Attachment Sequence No **21**

Name(s) shown on return | Your social security number

Before you begin: You need to understand the following terms. See **Definitions** on page 1 of the instructions.

- **Dependent Care Benefits**
- **Qualifying Person(s)**
- **Qualified Expenses**

Part I Persons or Organizations Who Provided the Care—You **must** complete this part. (If you need more space, use the bottom of page 2.)

1	(a) Care provider's name	(b) Address (number, street, apt no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)

Did you receive **dependent care benefits?**

- No → Complete only Part II below
- Yes → Complete Part III on the back next

Caution. If the care was provided in your home, you may owe employment taxes See the instructions for Form 1040, line 62 or Form 1040NR, line 57

Part II Credit for Child and Dependent Care Expenses

2 Information about your **qualifying person(s).** If you have more than two qualifying persons, see the instructions

(a) Qualifying person's name First	Last	(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2006 for the person listed in column (a)

3	Add the amounts in column (c) of line 2 **Do not** enter more than $3,000 for one qualifying person or $6,000 for two or more persons If you completed Part III, enter the amount from line 33	3	
4	Enter your **earned income.** See instructions	4	
5	If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions), **all others,** enter the amount from line 4	5	
6	Enter the **smallest** of line 3, 4, or 5	6	
7	Enter the amount from Form 1040, line 38, or Form 1040NR, line 36	7	
8	Enter on line 8 the decimal amount shown below that applies to the amount on line 7	8	X .

If line 7 is:

Over	But not over	Decimal amount is
$0	15,000	35
15,000	17,000	34
17,000	19,000	33
19,000	21,000	32
21,000	23,000	31
23,000	25,000	30
25,000	27,000	29
27,000	29,000	28
29,000	31,000	27
31,000	33,000	26
33,000	35,000	25
35,000	37,000	24
37,000	39,000	23
39,000	41,000	22
41,000	43,000	21
43,000	No limit	20

9	Multiply line 6 by the decimal amount on line 8 If you paid 2005 expenses in 2006, see the instructions	9	
10	Enter the amount from Form 1040, line 48, minus any amount on Form 1040, line 47, or Form 1040NR, line 43 minus any amount on Form 1040NR, line 44	10	
11	**Credit for child and dependent care expenses.** Enter the **smaller** of line 9 or line 10 here and on Form 1040, line 48 or Form 1040NR line 45	11	

For Paperwork Reduction Act Notice, see page 4 of the instructions. Cat No 11862M Form **2441** (2006)

Form 2441 (2006) Page 2

Part III Dependent Care Benefits

12	Enter the total amount of **dependent care benefits** you received in 2006. Amounts you received as an employee should be shown in box 10 of your Form(s) W-2 **Do not** include amounts reported as wages in box 1 of Form(s) W-2. If you were self-employed or a partner, include amounts you received under a dependent care assistance program from your sole proprietorship or partnership		12
13	Enter the amount, if any, you carried over from 2005 and used in 2006 during the grace period. See instructions		13
14	Enter the amount, if any, you forfeited or carried forward to 2007. See instructions		14 ()
15	Combine lines 12 through 14. See instructions		15
16	Enter the total amount of **qualified expenses** incurred in 2006 for the care of the **qualifying person(s)**	16	
17	Enter the **smaller** of line 15 or 16	17	
18	Enter your **earned income.** See instructions	18	
19	Enter the amount shown below that applies to you • If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions for line 5) • If married filing separately, see the instructions for the amount to enter • All others, enter the amount from line 18	19	
20	Enter the **smallest** of line 17, 18, or 19	20	
21	Enter the amount from line 12 that you received from your sole proprietorship or partnership. If you did not receive any such amounts, enter -0-	21	
22	Subtract line 21 from line 15	22	
23	Enter $5,000 ($2,500 if married filing separately **and** you were required to enter your spouse's earned income on line 19)		23
24	**Deductible benefits.** Enter the **smallest** of line 20, 21, or 23. Also, include this amount on the appropriate line(s) of your return. See instructions		24
25	Enter the **smaller** of line 20 or 23	25	
26	Enter the amount from line 24	26	
27	**Excluded benefits.** Subtract line 26 from line 25. If zero or less, enter -0-		27
28	**Taxable benefits.** Subtract line 27 from line 22. If zero or less, enter -0- Also, include this amount on Form 1040, line 7, or Form 1040NR, line 8. On the dotted line next to Form 1040, line 7, or Form 1040NR, line 8, enter "DCB".		28

To claim the child and dependent care credit, complete lines 29–33 below.

29	Enter $3,000 ($6,000 if two or more qualifying persons)	29
30	Add lines 24 and 27	30
31	Subtract line 30 from line 29. If zero or less, **stop.** You cannot take the credit. **Exception.** If you paid 2005 expenses in 2006, see the instructions for line 9	31
32	Complete line 2 on the front of this form. **Do not** include in column (c) any benefits shown on line 30 above. Then, add the amounts in column (c) and enter the total here	32
33	Enter the **smaller** of line 31 or 32. Also, enter this amount on line 3 on the front of this form and complete lines 4–11	33

Form **2441** (2006)

Form **3800**

Department of the Treasury
Internal Revenue Service (99)

General Business Credit

▶ See separate instructions.
▶ Attach to your tax return.

OMB No 1545-0895

2006

Attachment Sequence No **22**

Name(s) shown on return | Identifying number

Part I Current Year Credit

Important: You may not be required to complete and file a separate credit form (shown in parentheses below) to claim the credit. For details, see **What's New** in the instructions.

1a	Investment credit (attach Form 3468)	1a
b	Work opportunity credit (Form 5884)	1b
c	Welfare-to-work credit (Form 8861)	1c
d	Credit for increasing research activities (Form 6765)	1d
e	Low-income housing credit (Form 8586) (enter EIN if claiming this credit from a pass-through entity)	1e
f	Enhanced oil recovery credit **only** from partnerships and S corporations (see instructions)	1f
g	Disabled access credit (Form 8826) (do not enter more than $5,000)	1g
h	Renewable electricity production credit (Form 8835, Section A only)	1h
i	Indian employment credit (Form 8845)	1i
j	Credit for employer social security and Medicare taxes paid on certain employee tips (Form 8846)	1j
k	Orphan drug credit (Form 8820)	1k
l	New markets credit (Form 8874) (enter EIN if claiming this credit from a pass-through entity)	1l
m	Credit for small employer pension plan startup costs (Form 8881) (do not enter more than $500)	1m
n	Credit for employer-provided child care facilities and services (Form 8882) (enter EIN if claiming this credit from a pass-through entity)	1n
o	Qualified railroad track maintenance credit (Form 8900)	1o
p	Biodiesel and renewable diesel fuels credit (attach Form 8864)	1p
q	Low sulfur diesel fuel production credit (Form 8896)	1q
r	Distilled spirits credit (Form 8906)	1r
s	Nonconventional source fuel credit (Form 8907)	1s
t	Energy efficient home credit (Form 8908)	1t
u	Energy efficient appliance credit (Form 8909)	1u
v	Alternative motor vehicle credit (Form 8910)	1v
w	Alternative fuel vehicle refueling property credit (Form 8911)	1w
x	Credit for contributions to selected community development corporations (Form 8847)	1x
y	Mine rescue team training credit (Form 8923)	1y
z	General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1z
aa	Credits for employers affected by Hurricane Katrina, Rita, or Wilma (Form 5884-A)	1aa
2	Add lines 1a through 1aa	2
3	Passive activity credits included on line 2 (see instructions)	3
4	Subtract line 3 from line 2	4
5	Passive activity credits allowed for 2006 (see instructions)	5
6	Carryforward of general business credit to 2006. See instructions for the schedule to attach	6
7	Carryback of general business credit from 2007 (see instructions)	7
8	**Current year credit.** Add lines 4 through 7	8

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 12392F Form **3800** (2006)

Part II Allowable Credit

9 Regular tax before credits
- Individuals Enter the amount from Form 1040, line 44 or Form 1040NR line 41
- Corporations Enter the amount from Form 1120 Schedule J, line 2, Form 1120-A Part I line 1, or the applicable line of your return
- Estates and trusts Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b or the amount from the applicable line of your return

9

10 Alternative minimum tax
- Individuals Enter the amount from Form 6251 line 35
- Corporations Enter the amount from Form 4626 line 14
- Estates and trusts Enter the amount from Form 1041 Schedule I, line 56

10

11 Add lines 9 and 10 . . . 11

12a Foreign tax credit . . . 12a

b Credits from Form 1040 lines 48 through 54 (or Form 1040NR, lines 45 through 49) . . . 12b

c Qualified electric vehicle credit (Form 8834 line 20) . . . 12c

d Non-business alternative motor vehicle credit (Form 8910, line 18) . . . 12d

e Non-business alternative fuel vehicle refueling property credit (Form 8911, line 19) . . . 12e

f Add lines 12a through 12e . . . 12f

13 **Net income tax.** Subtract line 12f from line 11 If zero, skip lines 14 through 17 and enter -0- on line 18 . . . 13

14 **Net regular tax.** Subtract line 12f from line 9 If zero or less, enter -0- . . . 14

15 Enter 25% (.25) of the excess, if any, of line 14 over $25,000 (see instructions) . . . 15

16 Tentative minimum tax
- Individuals Enter the amount from Form 6251, line 33
- Corporations Enter the amount from Form 4626, line 12
- Estates and trusts Enter the amount from Form 1041, Schedule I, line 54

16

17 Enter the greater of line 15 or line 16 . . . 17

18 Subtract line 17 from line 13 If zero or less, enter -0- . . . 18

19 **Credit allowed for the current year.** Enter the **smaller** of line 8 or line 18 **Individuals, estates, and trusts:** See the instructions for line 19 if claiming the research credit **C corporations:** See the line 19 instructions if there has been an ownership change, acquisition or reorganization

Report the amount from line 19 (if smaller than line 8 see instructions) as indicated below or on the applicable line of your return
- Individuals Form 1040, line 55 or Form 1040NR line 50
- Corporations Form 1120 Schedule J, line 5c, or Form 1120-A Part I line 2
- Estates and trusts Form 1041 Schedule G line 2c

19

Form **6251** — **Alternative Minimum Tax—Individuals**

Department of the Treasury Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR.

OMB No 1545-0074

2006

Attachment Sequence No 32

Name(s) shown on Form 1040 or Form 1040NR | Your social security number

Part I Alternative Minimum Taxable Income (See instructions for how to complete each line.)

1 If filing Schedule A (Form 1040), enter the amount from Form 1040 line 41 (minus any amount on Form 8914 line 6), and go to line 2 Otherwise enter the amount from Form 1040, line 38 (minus any amount on Form 8914 line 6), and go to line 7 (If less than zero, enter as a negative amount) . . . 1

2 Medical and dental Enter the **smaller** of Schedule A (Form 1040), line 4, **or** 2½% of Form 1040, line 38 . . . 2

3 Taxes from Schedule A (Form 1040), line 9 . . . 3

4 Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet on page 2 of the instructions . . . 4

5 Miscellaneous deductions from Schedule A (Form 1040), line 26 . . . 5

6 If Form 1040, line 38, is over $150,500 (over $75,250 if married filing separately), enter the amount from line 11 of the **Itemized Deductions Worksheet** on page A-7 of the instructions for Schedule A (Form 1040) . . . 6 ()

7 Tax refund from Form 1040 line 10 or line 21 . . . 7 ()

8 Investment interest expense (difference between regular tax and AMT) . . . 8

9 Depletion (difference between regular tax and AMT) . . . 9

10 Net operating loss deduction from Form 1040, line 21 Enter as a positive amount . . . 10

11 Interest from specified private activity bonds exempt from the regular tax . . . 11

12 Qualified small business stock (7% of gain excluded under section 1202) . . . 12

13 Exercise of incentive stock options (excess of AMT income over regular tax income) . . . 13

14 Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A) . . . 14

15 Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6) . . . 15

16 Disposition of property (difference between AMT and regular tax gain or loss) . . . 16

17 Depreciation on assets placed in service after 1986 (difference between regular tax and AMT) . . . 17

18 Passive activities (difference between AMT and regular tax income or loss) . . . 18

19 Loss limitations (difference between AMT and regular tax income or loss) . . . 19

20 Circulation costs (difference between regular tax and AMT) . . . 20

21 Long-term contracts (difference between AMT and regular tax income) . . . 21

22 Mining costs (difference between regular tax and AMT) . . . 22

23 Research and experimental costs (difference between regular tax and AMT) . . . 23

24 Income from certain installment sales before January 1, 1987 . . . 24 ()

25 Intangible drilling costs preference . . . 25

26 Other adjustments including income-based related adjustments . . . 26

27 Alternative tax net operating loss deduction . . . 27 ()

28 **Alternative minimum taxable income.** Combine lines 1 through 27 (If married filing separately and line 28 is more than $200,100, see page 7 of the instructions) . . . 28

Part II Alternative Minimum Tax

29 Exemption (If this form is for a child under age 18, see page 7 of the instructions)

IF your filing status is . . .	AND line 28 is not over . . .	THEN enter on line 29 . . .
Single or head of household	$112,500	$42,500
Married filing jointly or qualifying widow(er)	150,000	62,550
Married filing separately	75,000	31,275

If line 28 is **over** the amount shown above for your filing status, see page 7 of the instructions . . . 29

30 Subtract line 29 from line 28 If more than zero **or** you are filing Form 2555 or 2555-EZ go to line 31 If zero or less and you are not filing Form 2555 or 2555-EZ, enter -0- on lines 33 and 35 and skip the rest of Part II . . . 30

31
- If you are filing Form 2555 or 2555-EZ, see page 8 of the instructions for the amount to enter
- If you reported capital gain distributions directly on Form 1040, line 13, you reported qualified dividends on Form 1040, line 9b, **or** you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on the back and enter the amount from line 55 here
- **All others:** If line 30 is $175,000 or less ($87,500 or less if married filing separately), multiply line 30 by 26% (.26) Otherwise, multiply line 30 by 28% (.28) and subtract $3,500 ($1,750 if married filing separately) from the result

31

32 Alternative minimum tax foreign tax credit (see page 8 of the instructions) . . . 32

33 Tentative minimum tax Subtract line 32 from line 31 . . . 33

34 Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47) If you used Schedule J to figure your tax, the amount for line 44 of Form 1040 must be refigured without using Schedule J (see page 9 of the instructions) . . . 34

35 **Alternative minimum tax.** Subtract line 34 from line 33 If zero or less, enter -0- Enter here and on Form 1040, line 45 . . . 35

Part III Tax Computation Using Maximum Capital Gains Rates

36 Enter the amount from Form 6251, line 30 36

37 Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet on page D-10 of the instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary) (see page 10 of the instructions) 37

38 Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT if necessary) (see page 10 of the instructions) 38

39 If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the **smaller** of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary) 39

40 Enter the **smaller** of line 36 or line 39 40

41 Subtract line 40 from line 36 41

42 If line 41 is $175,000 or less ($87,500 or less if married filing separately), multiply line 41 by 26% (.26). Otherwise, multiply line 41 by 28% (.28) and subtract $3,500 ($1,750 if married filing separately) from the result ▶ 42

43 Enter
- $61,300 if married filing jointly or qualifying widow(er),
- $30,650 if single or married filing separately, or
- $41,050 if head of household

. 43

44 Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet on page D-10 of the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter -0- 44

45 Subtract line 44 from line 43. If zero or less, enter -0- 45

46 Enter the **smaller** of line 36 or line 37 46

47 Enter the **smaller** of line 45 or line 46 47

48 Multiply line 47 by 5% (.05) ▶ 48

49 Subtract line 47 from line 46 49

50 Multiply line 49 by 15% (.15) ▶ 50

If line 38 is zero or blank, skip lines 51 and 52 and go to line 53. Otherwise, go to line 51.

51 Subtract line 46 from line 40 51

52 Multiply line 51 by 25% (.25) ▶ 52

53 Add lines 42, 48, 50, and 52 53

54 If line 36 is $175,000 or less ($87,500 or less if married filing separately), multiply line 36 by 26% (.26). Otherwise, multiply line 36 by 28% (.28) and subtract $3,500 ($1,750 if married filing separately) from the result 54

55 Enter the **smaller** of line 53 or line 54 here and on line 31 55

Form **8582** Department of the Treasury Internal Revenue Service (99)

Passive Activity Loss Limitations

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.

OMB No. 1545-1008
2006
Attachment Sequence No. 88

Name(s) shown on return | Identifying number

Part I 2006 Passive Activity Loss

Caution: *Complete Worksheets 1, 2, and 3 on page 2 before completing Part I.*

Rental Real Estate Activities With Active Participation (For the definition of active participation see **Special Allowance for Rental Real Estate Activities** on page 3 of the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a)) 1a

b Activities with net loss (enter the amount from Worksheet 1, column (b)) 1b ()

c Prior years unallowed losses (enter the amount from Worksheet 1, column (c)) 1c ()

d Combine lines 1a, 1b, and 1c 1d

Commercial Revitalization Deductions From Rental Real Estate Activities

2a Commercial revitalization deductions from Worksheet 2, column (a) 2a ()

b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b) 2b ()

c Add lines 2a and 2b 2c ()

All Other Passive Activities

3a Activities with net income (enter the amount from Worksheet 3, column (a)) 3a

b Activities with net loss (enter the amount from Worksheet 3, column (b)) 3b ()

c Prior years unallowed losses (enter the amount from Worksheet 3, column (c)) 3c ()

d Combine lines 3a, 3b, and 3c 3d

4 Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. **Do not** complete Form 8582. Report the losses on the forms and schedules normally used 4

If line 4 is a loss and
- Line 1d is a loss, go to Part II
- Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III
- Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15

Caution: *If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II or Part III. Instead, go to line 15.*

Part II Special Allowance for Rental Real Estate Activities With Active Participation

Note: *Enter all numbers in Part II as positive amounts. See page 8 of the instructions for an example.*

5 Enter the **smaller** of the loss on line 1d or the loss on line 4 5

6 Enter $150,000. If married filing separately, see page 8 . . . 6

7 Enter modified adjusted gross income, but not less than zero (see page 8) 7

Note: *If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.*

8 Subtract line 7 from line 6 8

9 Multiply line 8 by 50% (.5). **Do not** enter more than $25,000. If married filing separately, see page 8 9

10 Enter the **smaller** of line 5 or line 9 10

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: *Enter all numbers in Part III as positive amounts. See the example for Part II on page 8 of the instructions.*

11 Enter $25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions 11

12 Enter the loss from line 4 12

13 Reduce line 12 by the amount on line 10 13

14 Enter the **smallest** of line 2c (treated as a positive amount), line 11, or line 13 14

Part IV Total Losses Allowed

15 Add the income, if any, on lines 1a and 3a and enter the total 15

16 **Total losses allowed from all passive activities for 2006.** Add lines 10, 14, and 15. See page 11 of the instructions to find out how to report the losses on your tax return 16

Caution: *The worksheets must be filed with your tax return. Keep a copy for your records.*

Worksheet 1—For Form 8582, Lines 1a, 1b, and 1c (See pages 7 and 8 of the instructions.)

Name of activity	Current year (a) Net income (line 1a)	Current year (b) Net loss (line 1b)	Prior years (c) Unallowed loss (line 1c)	Overall gain or loss (d) Gain	Overall gain or loss (e) Loss
Total. Enter on Form 8582, lines 1a, 1b, and 1c ▶					

Worksheet 2—For Form 8582, Lines 2a and 2b (See page 8 of the instructions.)

Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall loss
Total. Enter on Form 8582, lines 2a and 2b ▶			

Worksheet 3—For Form 8582, Lines 3a, 3b, and 3c (See page 8 of the instructions.)

Name of activity	Current year (a) Net income (line 3a)	Current year (b) Net loss (line 3b)	Prior years (c) Unallowed loss (line 3c)	Overall gain or loss (d) Gain	Overall gain or loss (e) Loss
Total. Enter on Form 8582, lines 3a, 3b, and 3c ▶					

Worksheet 4—Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See page 9 of the instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
Total ▶			1.00		

Worksheet 5—Allocation of Unallowed Losses (See page 9 of the instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
Total ▶			1.00	

Worksheet 6—Allowed Losses (See pages 9 and 10 of the instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
Total ▶				

Worksheet 7—Activities With Losses Reported on Two or More Forms or Schedules (See pages 10 and 11 of the instructions.)

Name of Activity:	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Total ▶			1.00		

Form **8615**

Department of the Treasury
Internal Revenue Service (99)

Tax for Children Under Age 18 With Investment Income of More Than $1,700

▶ Attach only to the child's Form 1040, Form 1040A, or Form 1040NR.
▶ See separate instructions.

OMB No 1545-0074

2006

Attachment Sequence No 33

Child's name shown on return | Child's social security number

Before you begin: If the child, the parent, or any of the parent's other children under age 18 must use the Schedule D Tax Worksheet or has income from farming or fishing, see **Pub. 929,** Tax Rules for Children and Dependents. It explains how to figure the child's tax using the **Schedule D Tax Worksheet** or **Schedule J** (Form 1040).

A Parent's name (first, initial, and last) **Caution:** *See instructions before completing* | B Parent's social security number

C Parent's filing status (check one)
☐ Single ☐ Married filing jointly ☐ Married filing separately ☐ Head of household ☐ Qualifying widow(er)

Part I Child's Net Investment Income

1	Enter the child's investment income (see instructions)	1	
2	If the child **did not** itemize deductions on **Schedule A** (Form 1040 or Form 1040NR), enter $1,700. Otherwise, see instructions	2	
3	Subtract line 2 from line 1. If zero or less, **stop;** do not complete the rest of this form but **do** attach it to the child's return	3	
4	Enter the child's **taxable income** from Form 1040, line 43, Form 1040A, line 27, or Form 1040NR, line 40. If the child files Form 2555 or 2555-EZ, see the instructions	4	
5	Enter the **smaller** of line 3 or line 4. If zero, **stop;** do not complete the rest of this form but **do** attach it to the child's return	5	

Part II Tentative Tax Based on the Tax Rate of the Parent

6	Enter the parent's **taxable income** from Form 1040, line 43, Form 1040A, line 27, Form 1040EZ, line 6, Form 1040NR, line 40, or Form 1040NR-EZ, line 14. If zero or less, enter -0-. If the parent files Form 2555 or 2555-EZ, see the instructions	6	
7	Enter the total, if any, from Forms 8615, line 5, of **all other** children of the parent named above. **Do not** include the amount from line 5 above	7	
8	Add lines 5, 6, and 7 (see instructions)	8	
9	Enter the tax on the amount on line 8 based on the **parent's** filing status above (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here ▶ ☐	9	
10	Enter the parent's tax from Form 1040, line 44, Form 1040A, line 28, minus any alternative minimum tax, Form 1040EZ, line 11, Form 1040NR, line 41, or Form 1040NR-EZ, line 15. **Do not** include any tax from **Form 4972** or **8814.** If the parent files Form 2555 or 2555-EZ, see the instructions. If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) was used to figure the tax, check here ▶ ☐	10	
11	Subtract line 10 from line 9 and enter the result. If line 7 is blank, also enter this amount on line 13 and go to **Part III**	11	
12a	Add lines 5 and 7	12a	
b	Divide line 5 by line 12a. Enter the result as a decimal (rounded to at least three places)	12b	
13	Multiply line 11 by line 12b	13	

Part III Child's Tax—If lines 4 and 5 above are the same, enter -0- on line 15 and go to line 16.

14	Subtract line 5 from line 4	14	
15	Enter the tax on the amount on line 14 based on the **child's** filing status (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here ▶ ☐	15	
16	Add lines 13 and 15	16	
17	Enter the tax on the amount on line 4 based on the **child's** filing status (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here ▶ ☐	17	
18	Enter the **larger** of line 16 or line 17 here and on the **child's** Form 1040, line 44, Form 1040A, line 28, or Form 1040NR, line 41. If the child files Form 2555 or 2555-EZ, see the instructions	18	

For Paperwork Reduction Act Notice, see the instructions. Cat No 64113U Form **8615** (2006)

Form **8801**

Department of the Treasury
Internal Revenue Service (99)

Credit for Prior Year Minimum Tax—Individuals, Estates, and Trusts

▶ See separate instructions.
▶ Attach to Form 1040, 1040NR, or 1041.

OMB No 1545-1073

2006

Attachment Sequence No 74

Name(s) shown on return | Identifying number

Part I Net Minimum Tax on Exclusion Items

1	Combine lines 1, 6, and 10 of your 2005 Form 8251. Estates and trusts, see instructions	1	
2	Enter adjustments and preferences treated as exclusion items (see instructions)	2	
3	Minimum tax credit net operating loss deduction (see instructions)	3	()
4	Combine lines 1, 2, and 3. If zero or less, enter -0- here and on line 15 and go to Part II. If more than $191,000 and you were married filing separately for 2005, see instructions	4	
5	Enter $58,000 if married filing jointly or qualifying widow(er) for 2005, $40,250 if single or head of household for 2005, or $29,000 if married filing separately for 2005. Estates and trusts, enter $22,500	5	
6	Enter $150,000 if married filing jointly or qualifying widow(er) for 2005, $112,500 if single or head of household for 2005, or $75,000 if married filing separately for 2005. Estates and trusts, enter $75,000	6	
7	Subtract line 6 from line 4. If zero or less, enter -0- here and on line 8 and go to line 9	7	
8	Multiply line 7 by 25% (.25)	8	
9	Subtract line 8 from line 5. If zero or less, enter -0-. If this form is for a child under age 14, see instructions	9	
10	Subtract line 9 from line 4. If zero or less, enter -0- here and on line 15 and go to Part II. Form 1040NR filers, see instructions	10	
11	• If **for 2005** you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b (Form 1041, line 2b(2)); **or** you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (lines 14a and 15, column (2), of Schedule D (Form 1041)), complete Part III of Form 8801 and enter the amount from line 46 here • **All others:** If line 10 is $175,000 or less ($87,500 or less if married filing separately for 2005), multiply line 10 by 26% (.26). Otherwise, multiply line 10 by 28% (.28) and subtract $3,500 ($1,750 if married filing separately for 2005) from the result	11	
12	Minimum tax foreign tax credit on exclusion items (see instructions)	12	
13	Tentative minimum tax on exclusion items. Subtract line 12 from line 11	13	
14	Enter the amount from your 2005 Form 6251, line 34, or 2005 Form 1041, Schedule I, line 55	14	
15	**Net minimum tax on exclusion items.** Subtract line 14 from line 13. If zero or less, enter -0-	15	

Part II Minimum Tax Credit and Carryforward to 2007

16	Enter the amount from your 2005 Form 8251, line 35, or 2005 Form 1041, Schedule I, line 58	16	
17	Enter the amount from line 15 above	17	
18	Subtract line 17 from line 16. If less than zero, enter as a negative amount	18	
19	**2005 minimum tax credit carryforward.** Enter the amount from your 2005 Form 8801, line 26	19	
20	Enter the total of your 2005 unallowed nonconventional source fuel credit and 2005 unallowed qualified electric vehicle credit (see instructions)	20	
21	Combine lines 18, 19, and 20. If zero or less, **stop here** and see instructions	21	
22	Enter your 2006 regular income tax liability minus allowable credits (see instructions)	22	
23	Enter the amount from your 2006 Form 6251, line 33, or 2006 Form 1041, Schedule I, line 54	23	
24	Subtract line 23 from line 22. If zero or less, enter -0-	24	
25	**Minimum tax credit.** Enter the **smaller** of line 21 or line 24. Also enter this amount on your 2006 Form 1040, line 55, Form 1040NR, line 50, or Form 1041, Schedule G, line 2d	25	
26	**Minimum tax credit carryforward to 2007.** Subtract line 25 from line 21. Keep a record of this amount because you may use it in future years	26	

For Paperwork Reduction Act Notice, see page 4 of the instructions. Cat No 10002S Form **8801** (2006)

Part III Tax Computation Using Maximum Capital Gains Rates

Caution. If you did not complete the 2005 Qualified Dividends and Capital Gain Tax Worksheet the 2005 Schedule D Tax Worksheet or Part V of the 2005 Schedule D (Form 1041), see the instructions before completing this part

27 Enter the amount from Form 8801, line 10 27

28 Enter the amount from line 6 of your 2005 Qualified Dividends and Capital Gain Tax Worksheet, the amount from line 13 of your 2005 Schedule D Tax Worksheet, or the amount from line 22 of the 2005 Schedule D (Form 1041), whichever applies* 28

If you figured your 2005 tax using the 2005 Qualified Dividends and Capital Gain Tax Worksheet, skip line 29 and enter the amount from line 28 on line 30. Otherwise, go to line 29.

29 Enter the amount from line 19 of your 2005 Schedule D (Form 1040), or line 14b, column (2) of the 2005 Schedule D (Form 1041) . . . 29

30 Add lines 28 and 29, and enter the **smaller** of that result or the amount from line 10 of your 2005 Schedule D Tax Worksheet 30

31 Enter the **smaller** of line 27 or line 30 31

32 Subtract line 31 from line 27 32

33 If line 32 is $175,000 or less ($87,500 or less if married filing separately for 2005), multiply line 32 by 26% (.26). Otherwise, multiply line 32 by 28% (.28) and subtract $3,500 ($1,750 if married filing separately for 2005) from the result ▶ 33

34 Enter
- $59,400 if married filing jointly or qualifying widow(er) for 2005,
- $29,700 if single or married filing separately for 2005,
- $39,800 if head of household for 2005, or
- $2,000 for an estate or trust 34

35 Enter the amount from line 7 of your 2005 Qualified Dividends and Capital Gain Tax Worksheet, the amount from line 14 of your 2005 Schedule D Tax Worksheet, or the amount from line 23 of the 2005 Schedule D (Form 1041), whichever applies. If you did not complete either worksheet or Part V of the 2005 Schedule D (Form 1041) enter -0- 35

36 Subtract line 35 from line 34. If zero or less, enter -0- 36

37 Enter the **smaller** of line 27 or line 28 37

38 Enter the **smaller** of line 36 or line 37 38

39 Multiply line 38 by 5% (.05) ▶ 39

40 Subtract line 38 from line 37 40

41 Multiply line 40 by 15% (.15) ▶ 41

If line 29 is zero or blank, skip lines 42 and 43 and go to line 44. Otherwise, go to line 42.

42 Subtract line 37 from line 31 42

43 Multiply line 42 by 25% (.25) ▶ 43

44 Add lines 33, 39, 41, and 43 44

45 If line 27 is $175,000 or less ($87,500 or less if married filing separately for 2005), multiply line 27 by 26% (.26). Otherwise, multiply line 27 by 28% (.28) and subtract $3,500 ($1,750 if married filing separately for 2005) from the result 45

46 Enter the **smaller** of line 44 or line 45 here and on line 11 46

* The 2005 Qualified Dividends and Capital Gain Tax Worksheet is on page 38 of the 2005 Instructions for Form 1040. The 2005 Schedule D Tax Worksheet is on page D-9 of the 2005 Instructions for Schedule D (Form 1040) (page 38 of the 2005 Instructions for Form 1041).

Form 8814 Parents' Election To Report Child's Interest and Dividends

Department of the Treasury
Internal Revenue Service

▶ See instructions.
▶ Attach to parents' Form 1040 or Form 1040NR.

OMB No. 1545-0074
2006
Attachment Sequence No. 40

Name(s) shown on your return | Your social security number

Caution. The federal income tax on your child's income, including qualified dividends and capital gain distributions, may be less if you file a separate tax return for the child instead of making this election. This is because you cannot take certain tax benefits that your child could take on his or her own return. For details, see **Tax benefits you cannot take** on page 2.

A Child's name (first, initial, and last) | B Child's social security number

C If more than one Form 8814 is attached, check here ▶ ☐

Part I Child's Interest and Dividends To Report on Your Return

1a Enter your child's **taxable** interest. If this amount is different from the amounts shown on the child's Forms 1099-INT and 1099-OID, see the instructions 1a

b Enter your child's **tax-exempt** interest. **Do not** include this amount on line 1a 1b

2a Enter your child's ordinary dividends, including any Alaska Permanent Fund dividends. If your child received any ordinary dividends as a nominee, see the instructions 2a

b Enter your child's qualified dividends included on line 2a. See the instructions 2b

3 Enter your child's capital gain distributions. If your child received any capital gain distributions as a nominee, see the instructions 3

4 Add lines 1a, 2a, and 3. If the total is $1,700 or less, skip lines 5 through 12 and go to line 13. If the total is $8,500 or more, **do not** file this form. Your child **must** file his or her own return to report the income. 4

5 Base amount 5 1,700 00

6 Subtract line 5 from line 4 6

If both lines 2b and 3 are zero or blank, skip lines 7 through 10, enter -0- on line 11, and go to line 12. Otherwise, go to line 7.

7 Divide line 2b by line 4. Enter the result as a decimal (rounded to at least three places) 7 .

8 Divide line 3 by line 4. Enter the result as a decimal (rounded to at least three places) 8 .

9 Multiply line 6 by line 7. Enter the result here. See the instructions for where to report this amount on your return 9

10 Multiply line 6 by line 8. Enter the result here. See the instructions for where to report this amount on your return 10

11 Add lines 9 and 10 11

12 Subtract line 11 from line 6. Include this amount in the total on Form 1040, line 21, or Form 1040NR, line 21. In the space next to line 21, enter "Form 8814" and show the amount. If you checked the box on line C above, see the instructions. Go to line 13 below 12

Part II Tax on the First $1,700 of Child's Interest and Dividends

13 Amount not taxed 13 850 00

14 Subtract line 13 from line 4. If the result is zero or less, enter -0- 14

15 **Tax.** Is the amount on line 14 less than $850?
- ☐ **No.** Enter $85 here and see the **Note** below
- ☐ **Yes.** Multiply line 14 by 10% (.10). Enter the result here and see the **Note** below

15

Note. If you checked the box on line C above, see the instructions. Otherwise, include the amount from line 15 in the tax you enter on Form 1040, line 44, or Form 1040NR, line 41. Be sure to check box a on Form 1040, line 44, or Form 1040NR, line 41.

General Instructions

What's New

- The election to report a child's income on the parents' return can be made for a child under age 18 (previously under age 14) who meets the required conditions below
- The Child's Qualified Dividends and Capital Gain Distributions Worksheet has been eliminated. The computation previously done on that worksheet is now done on Form 8814 itself.

Purpose of Form

Use this form if you elect to report your child's income on your return. If you do, your child will not have to file a return. You can make this election if your child meets all of the following conditions.

- The child was under age 18 at the end of 2006. (A child born on January 1, 1989, is considered to be age 18 at the end of 2006. You cannot make this election for such a child.)
- The child's only income was from interest and dividends, including capital gain distributions and Alaska Permanent Fund dividends.
- The child's gross income for 2006 was less than $8,500.
- The child is required to file a 2006 return.
- The child does not file a joint return for 2006.
- There were no estimated tax payments for the child for 2006 (including any overpayment of tax from his or her 2005 return applied to 2006 estimated tax).
- There was no federal income tax withheld from the child's income.

You must also qualify. See *Parents who qualify to make the election* below.

How to make the election. To make the election, complete and attach Form(s) 8814 to your tax return and file your return by the due date (including extensions). A separate Form 8814 must be filed for each child whose income you choose to report.

Parents who qualify to make the election. You qualify to make this election if you file Form 1040 or Form 1040NR and any of the following apply.

- You are filing a joint return for 2006 with the child's other parent.
- You and the child's other parent were married to each other but file separate returns for 2006 and you had the higher taxable income.
- You were unmarried, treated as unmarried for federal income tax purposes, or separated from the child's other parent by a divorce or separate maintenance decree. The child must have lived with you for most of the year (you were the custodial parent). If you were the custodial parent and you remarried, you can make the election on a joint return with your new spouse. But if you and your new spouse do not file a joint return, you qualify to make the election only if you had higher taxable income than your new spouse.

Note. If you and the child's other parent were not married but lived together during the year with the child, you qualify to make the election only if you are the parent with the higher taxable income.

Tax benefits you cannot take. If you elect to report your child's income on your return, you cannot take any of the following deductions that your child could take on his or her own return.

- Standard deduction of $2,100 for a blind child.
- Penalty on early withdrawal of child's savings.
- Itemized deductions such as child's investment expenses or charitable contributions.

If your child received qualified dividends or capital gain distributions, you may pay up to $42.50 more tax if you make this election instead of filing a separate tax return for the child. This is because the tax rate on the child's income between $850 and $1,700 is 10% if you make this election. However, if you file a separate return for the child, the tax rate may be as low as 5% because of the preferential tax rates for qualified dividends and capital gain distributions.

If any of the above apply to your child, first figure the tax on your child's income as if he or she is filing a return. Next, figure the tax as if you are electing to report your child's income on your return. Then, compare the methods to determine which results in the lower tax.

Alternative minimum tax. If your child received tax-exempt interest (or exempt-interest dividends paid by a regulated investment company) from certain private activity bonds, you must take this into account in determining if you owe the alternative minimum tax. This type of interest may be shown in box 9 of Form 1099-INT. See Form 6251, Alternative Minimum Tax—Individuals, and its instructions for details.

Investment interest expense. Your child's income (other than qualified dividends, Alaska Permanent Fund dividends, and capital gain distributions) that you report on your return is considered to be your investment income for purposes of figuring your investment interest expense deduction. If your child received qualified dividends, Alaska Permanent Fund dividends, or capital gain distributions, see Pub. 550, Investment Income and Expenses, to figure the amount you can treat as your investment income.

Foreign accounts and trusts. Complete Schedule B (Form 1040), Part III, for your child if he or she (a) had a foreign financial account or (b) received a distribution from, or was the grantor of, or transferor to, a foreign trust. If you answer "Yes" to either question, you must file this Schedule B with your return. Enter "Form 8814" next to line 7a or line 8, whichever applies. Also, complete line 7b if applicable.

Change of address. If your child filed a return for a previous year and the address shown on the last return filed is not your child's current address, be sure to notify the IRS, in writing, of the new address. To do this, you may use Form 8822, Change of Address.

Additional information. See Pub. 929, Tax Rules for Children and Dependents, for more details.

Line Instructions

Name and social security number. If filing a joint return, include your spouse's name but enter the social security number of the person whose name is shown first on the return.

Line 1a. Enter all taxable interest income your child received in 2006. Do not include tax-exempt interest in the total for line 1a, but be sure to include it on line 1b.

If your child received, as a nominee, interest that actually belongs to another person, enter the amount and "ND" (for nominee distribution) on the dotted line next to line 1a. Do not include amounts received as a nominee in the total for line 1a.

If your child had accrued interest that was paid to the seller of a bond, amortizable bond premium (ABP) allowed as a reduction to interest income, or if any original issue discount (OID) is less than the amount shown on your child's Form 1099-OID, enter the nontaxable amount on the dotted line next to line 1a and "Accrued interest," "ABP adjustment," or "OID adjustment," whichever applies. Do not include any nontaxable amounts in the total for line 1a.

Line 1b. If your child received any tax-exempt interest income, such as from certain state and municipal bonds, report it on line 1b. Tax-exempt interest should be shown in box 8 of Form 1099-INT. Also include any exempt-interest dividends your child received as a shareholder in a mutual fund or other regulated investment company. Those amounts should also be shown in box 8 of Form 1099-INT.

(continued)

Note. If line 1b includes tax-exempt interest or exempt-interest dividends paid by a regulated investment company from private activity bonds, see *Alternative minimum tax* on page 2.

Line 2a. Enter the ordinary dividends your child received in 2006. Ordinary dividends should be shown in box 1a of Form 1099-DIV. Also include ordinary dividends your child received through a partnership, an S corporation, or an estate or trust.

If your child received, as a nominee, ordinary dividends that actually belong to another person, enter the amount and "ND" on the dotted line next to line 2a. Do not include amounts received as a nominee in the total for line 2a.

Line 2b. Enter all qualified dividends your child received in 2006. Qualified dividends are the ordinary dividends that are eligible for the same lower tax rate as a net capital gain. Qualified dividends should be shown in box 1b of Form 1099-DIV.

Line 3. Enter the capital gain distributions your child received in 2006. Capital gain distributions should be shown in box 2a of Form 1099-DIV.

If your child received, as a nominee, capital gain distributions that actually belong to another person, enter the amount and "ND" on the dotted line next to line 3. Do not include amounts received as a nominee in the total for line 3.

Line 9. Include this amount on Form 1040, lines 9a and 9b, or Form 1040NR, lines 10a and 10b. On the dotted lines next to those lines, enter "Form 8814" and this amount (unless you file Schedule B (Form 1040), in that case follow the instructions in the following **Note**).

Note. If this amount plus the parents' dividends is more than $1,500, report this amount on Schedule B (Form 1040). Show it as from "Form 8814."

Line 10. Include this amount on Schedule D, line 13, Form 1040, line 13, or Form 1040NR, line 14. Enter "Form 8814" and this amount on the dotted line next to line 13 of Schedule D or in the space to the left of line 13 of Form 1040 or line 14 of Form 1040NR.

If any of the child's capital gain distributions were reported on Form 1099-DIV as unrecaptured section 1250 gain, section 1202 gain, or collectibles (28%) gain, see Pub. 929 for details on the amount to report on Schedule D.

Line 12. If you checked the box on line C, add the amounts from line 12 of all your Forms 8814. Include this amount on Form 1040, line 21, or Form 1040NR, line 21, whichever applies. Enter "Form 8814" and the total of the line 12 amounts in the space next to line 21.

Line 15. If you checked the box on line C, add the amounts from line 15 of all your Forms 8814. Include the total on Form 1040, line 44, or Form 1040NR, line 41. Be sure to check box a on that line.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

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The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Section 6

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